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ABSTRACT

This document records the oral and written testimony of several small business owners and a Nevada Department of Education official at a Congressional hearing about education and today's work force. The business owners' testimony indicated the difficulty they have finding workers who can read, write, and think, and who are willing to be trained. It was also suggested that most of their workers lack a work ethic and that schools should spend more time educating students to find and keep a job and to get along in the real world. The educator's testimony noted the difficulties schools face in having a teacher-student ratio that is small enough to allow supervised work programs, as well as the problems teachers face with students who come from poorly functioning homes and uncaring parents. Comments from Congressional representatives noted that the federal government wants to help educate and train workers and indicated that the Carl D. Perkins Vocational Education Act contains provisions that could help, but schools and businesses do not always know how they can use the programs provided. Examples of Nevada programs helping to educate students and workers for jobs were presented. Appendixes contain various opening and prepared statements and other materials submitted for the record. (KC)

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EDUCATION FOR TOMORROW'S WORKFORCE

ED327652

HEARING

BEFORE THE

SUBCOMMITTEE ON EXPORTS, TAX POLICY, AND SPECIAL PROBLEMS

OF THE

COMMITTEE ON SMALL BUSINESS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

LAS VEGAS, NV, JUNE 8, 1990

Printed for the use of the Committee on Small Business

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EDUCATION FOR TOMORROW'S WORKFORCE

FRIDAY, JUNE 8, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EXPORTS, TAX POLICY
AND SPECIAL PROBLEMS,
COMMITTEE ON SMALL BUSINESS,
Las Vegas, NV.

The subcommittee met, pursuant to notice, at 10 a.m., at the UNLV campus, board room, Thomas and Mack Center, Las Vegas, Nevada, Hon. Norman Sisisky (chairman of the subcommittee) presiding.

Chairman SISISKY. The subcommittee will come to order. Good morning, ladies and gentlemen. My name is Norman Sisisky. I am the chairman of Small Business Subcommittee on Exports, Tax Policy and Special Problems. I have the pleasure of representing the Fourth District of Virginia in the United States House of Representatives. It is my pleasure to be in Las Vegas today. I particularly appreciate the nice sunshine and warmth, and I mean it is warm. I am here at the request of your Congressman, James Bilbray, and I am thankful for his hospitality. I further appreciate the enthusiastic support of Brent Heberlee, of Congressman Bilbray's staff. He has provided the subcommittee with invaluable assistance in putting this hearing together.

I have the honor of serving in Congress with Mr. Bilbray on both the Small Business Committee and the Committee on Armed Services. We work closely together on issues in these committees, and I can tell you that you are fortunate to have such an effective, hard-working Representative in Congress.

We are here today to talk about the education of America's workforce. An educated workforce is essential if we are to continue building economic prosperity in this country.

My good friend Jim Bilbray asked for this hearing because the businesses in Las Vegas are branching out into new and innovative technologies like those in many cities across America. To keep the high-tech boom alive, companies will require well-educated and prepared workers if they are to prosper.

Jim has convinced me that the issues we will discuss this morning are not merely educational issues, they are business issues. More importantly, they are small business issues, because small businesses face increasingly stiff competition for the few qualified workers available. We, as members of the Small Business Committee, must look to ways to enlarge the pool of educated and qualified employees.

American small business is facing a potential crisis as severe as any in our Nation's history. Without workers capable of meeting the technological demands of the modern work place, American business will be unable to fully compete in the global market.

The American education system, unfortunately, is failing to fully prepare our young people to take their place in the job force. This failure is crippling our Nation's economic potential, undermining both community and family life and putting U.S. businesses at a distinct disadvantage.

The problem of competition confronting American education parallels that confronting American business. Both must quickly adapt to the changing demands of the marketplace. Both must change as the demand changes.

Our educational institutions, like our Nation's businesses, must emphasize training, vocational, and technical education, as well as the development of our human resources. Unless dramatic changes within the educational system occur quickly, tomorrow's graduates will not be prepared to meet their employers' needs.

According to the United States Chamber of Commerce, American businesses, particularly small businesses, are increasingly concerned that public education in the United States is turning out unqualified, and in many cases, untrainable students. Students who cannot read or understand simple instructions. Students who cannot add or subtract. Students not prepared for the simplest forms of employment.

In many instances, the math skills of our high school graduates are at a sixth grade level. A national assessment of educational progress found that nearly 60 percent of today's 17-year-olds lack the basic reading skills necessary to comprehend the written material used in business and higher education. Unfortunately, that figure is virtually unchanged since 1980.

The immediate effects of this crisis in education are growing numbers of unemployable workers and a shortage of qualified applicants for technical jobs.

Test scores and employee performances tell us the educational reforms of the 1980's have done little to improve the reading, writing, and computational skills of American school children.

While per-pupil spending rose from $3,500 in 1980 to $4,200 in 1987, student achievement stagnated.

My concern, as chairman of this Export Subcommittee, and our reason for being here today, is international comparisons show America lagging behind other foreign industrialized nations in educational achievement.

Today, not at some time in the future, our Nation must educate all of its children to be critical thinkers. This Nation can no longer afford to throw away the 25 percent of our children who drop out of school each year. Nor can we write-off an additional 50 percent who are unable to function fully as citizens or workers, much less compete with students from other countries.

The fact is that even our top 25 percent, and those students we cite with pride, are not as well educated as the workers they must compete with in the world market.

Jim, I want to thank you for inviting us out here today, and I appreciate the fine work by your staff in helping to put this hear-

ing together. Before I continue, I would like to ask for a unanimous consent that Congressman Torres of California's statement be extended into the record of today's hearing. He regrets not being here. So without objection, it is part of the record.

[Mr. Torres' statement may be found in the appendix.]

Chairman SISISKY. It is the prerogative of the subcommittee Chair at an occasion like this to appoint an acting chair, and I turn the gavel over to you. So, Jim, I look forward to learning more about what we can do to help better prepare American workers for the jobs available.

[Mr. Sisisky's statement accompanied by a staff position paper may be found in the appendix.]

Mr. BILBRAY [presiding]. Thank you, Mr. Chairman. First, I would like to welcome all of you here today. I would also like to welcome my good friend and colleague Congressman Norm Sisisky, chairman of the House Subcommittee on Exports, Tax Policy, and Special Problems. The Congressman represents a District in Virginia.

I have had the pleasure of serving with Congressman Sisisky on the Small Business Committee for the past 3 years as well as on the Armed Services Committee this past year. I would like to thank him personally for coming out to Nevada to hear from some of our local business and education experts. I would also like to thank Diane Worthington, the subcommittee's staff director, for her expertise and involvement in setting up this hearing.

I requested today's hearing because of the growing concerns I have heard both on the local and national level regarding the future of our Nation's workforce. It is becoming increasingly apparent that as work becomes more knowledge-intensive, employers are fishing in a shrinking labor pool.

The disturbing question that confronts us today, then, is who will do America's work as the demand for skilled labor outstrips a dwindling supply?

It is no cliche to say an educated workforce is the foundation of the future economy. Unfortunately, the future is here, and we are not ready. Businesses are experiencing a mismatch between jobs available and people available to fill them. By comparison with our competition, the nations across the world, the American workforce now coming on line is seriously underprepared to be the foundation of a prosperous future.

The impacts of educational failure in Las Vegas are essentially no different than those in other communities across the Nation. In order for our community to diversify its economic base, local businesses and industry must have adaptive and technically proficient workers who know how to learn on the job. The success and expansion of business and industry in the Las Vegas Valley will depend greatly on the education foundations which students in our schools receive.

I remember reading an article recently in one of our local newspapers which stated that nearly 25 percent of Nevada's youth will drop out of school before they finish high school. That figure is appalling to me, and it suggests that our educational system, while not shouldering all of the blame, must accept some of the responsibility for this failure. Clearly, there are other factors contributing

to educational failure. The February 1988, edition of Time Magazine compared the top seven disciplinary problems of schools today with the rankings of problems identified 40 years ago. I would like to share some of those.

In 1940 the most serious problem a teacher faced in the classroom, talking. Second most serious, chewing gum. Third, making noise. Fourth, running in the hallways. Fifth, getting out of place in line. Sixth, wearing improper clothing. The last was not putting paper in wastebaskets. What are the rankings today? Number one, drug abuse. Two, alcohol abuse. Third, pregnancy. Fourth, suicide. Fifth, rape. Sixth, robbery. Seventh, assault. A lot of big differences between the generation that grew up a long time ago.

Educational reform is certainly necessary if our educational system is going to turn out qualified, trainable workers. Nationally, 1 million young people drop out of high school every year. Rates approach 50 percent in some inner cities. Of the 2.4 million who graduate, as many as 25 percent cannot read or write at the eighth-grade, or functionally literate, level. Most 17-year-olds in school cannot summarize a newspaper article, write a good letter requesting a job, solve real-life math problems, or follow a bus schedule.

In addition, there are tremendous demographic changes taking place in the workforce. For example, white males now make up 47 percent of the workforce, but in 10 years they will be only 15 percent of the new net workers. Seventeen percent of the labor force is now made up of minorities and immigrants; in 10 years those groups will comprise 42 percent of new net workers entering the labor force. Our schools have performed poorly for minorities and immigrants, the very groups on whom we must depend for a productive workforce.

Today's hearing will look at how both the business and education communities are working to deal with the problems of an uneducated work force. Business-education partnership programs will be discussed, as well as Federal legislative efforts to address the education and job training problems facing our country. I look forward to hearing from our distinguished witnesses today in the hopes that we can learn from them how the Federal Government can better develop our Nation's human capital.

[Mr. Bilbray's statement may be found in the appendix.]

Mr. BILBRAY. The witnesses who join us here today, on the first panel, and there is going to be two, are Mr. John Kidd, who is the executive owner of Kidd Marshmallow in Henderson. I would like to thank Mr. Kidd for coming. Second, is Mr. Marino Zara, who is the president of the Latin Chamber of Commerce, and a successful small business owner in the Las Vegas area. Third, is Mr. Frank Hawkins, who many of us remember as a star athlete here, and at that other school in the north, that he played so well, and as an Oakland Raider who had such a distinguished football career, but Mr. Hawkins also is a small business owner in Las Vegas and an active member of the community, and I would like to thank all of you for coming here today. At this time we will start the testimony. We would like to start with Mr. Kidd.

TESTIMONY OF JOHN KIDD, OWNER, KIDD MARSHMALLOW

Mr. KIDD. Thank you, Mr. Bilbray. This was tough for me to put it in writing for one thing, and it is a very serious concern to me. Education, primarily because of what you hear about it in the media. I thank you for the opportunity to be here and talk about this, and I am concerned and I want you to know how much, I think I can speak on behalf of almost all small business, we are very concerned. I do not think it is stated in some of the information I have heard so far that small business really is not any different than anything else, as far as relationship to education and the problems we are having with it now.

I am an employer and I employ people, and to me people are people. No matter where they work, what I pay, whether it is middle-wages, what we pay, or higher wages, and union labor, or whatever. People are people and they are educated to be into the world. To be able to face life and have a good knowledge of whatever they want to do in this country.

A great many people we interview do not read well and they do not have good mathematical skills. I do not have any really highly-technological equipment to make marshmallows. We have some simple computers, and they are very easy to run. A lot of people have difficulty with that, in how to understand bag weights and measure the problems we have. It is very simple, but we have a lot of trouble finding people with simple skills to do that. It is difficult. I do not have a lack of job applicants. Truly, there are many people, but we do have to interview a lot of people before I find people that I consider to have a good work ethic and understanding.

I think education is a great part of that. Also to me work ethic is ability to fill out a simple job application. I have a lot of people who because they are so nervous, or maybe they cannot read and write very well, that they have to take the application away to fill it out. They do not have a comfortable position to sit there and fill out an application with us. There is nothing wrong with that.

Personal hygiene, too, people do not really have common sense to make their appearance suitable when they come in to apply for a job. To me that seems so simple, they come in t-shirts and shorts, and they do not look very clean. They expect me to hire them, and I run a food factory. I would think that is something that could be easily learned. That is the reality of what I think education should provide, experience in that. Ability to communicate, I think a lot of people, they just need practice. I think communication can be taught. Not so much experience, you need practice in communicating, such as speech classes or whatever. That was one of the few courses I did do well in in school. I think it can be taught from good instruction.

We have the three R's, I talked about with my staff in putting this together. Reading, Riting, and Rithmetic, and we have added three more R's, which are responsibility, respect, and reality. I think you need to teach some realism in schools, responsibilities of what growing up is.

To me it was a big shock when you went out into the real world, it was scary. I think there is some more things that education pro-

vide in that to give children and young adults, actually, they are not really children, a better experience of what the responsibilities of the real world are. In my experience first hand, and in many, the school does not really provide much of that taste of what the real world is.

The respect that we need to have for understanding what an employer is. I would like to have students actually interview and do hiring of people in courses. I am sure it is probably done, to understand the other side of the desk, I think would make it easier for them to apply for a job if they knew what it was like to interview people in the real world. I think Las Vegas is a diversified job market. It is a little different than the factory I managed back in Indiana where I grew up where we had primarily farming backgrounds for our employees.

Out here we have a diversification of people from everywhere. To us that is an advantage. I think employees can also use assistance that I have experienced, we almost become caseworkers and psychologists, we want to help our people. Obviously, it is directly relative to the productivity they can do for us. Aside from that, we do care for people, they are very important to us. They are my assets.

A lot of trouble in money management, they really just do not have any experience or guidance in that. The simple balancing of a checkbook, how to budget, responsible spending, simple things in life that are so important. I think that can all be taught, or they could at least give them the right foot to start on.

Next I would like to talk a little bit more about my opinion in my brief experience in the world, as a manager of people and dealing with a factory and such that we have. I think teachers should be paid more, I think they are very important to this country. They are kind of overlooked. Reading and listening to the news sometimes today sounds like for some teachers it is a life-risking job. It is almost like a policeman or a Drug Enforcement Agent in some sense. That is dangerous, it is a shame that it has become that. It is apparent that what is being taught today is not being learned very well. We are really suffering in that. I do understand that the drop-out rate in southern Nevada is 25 percent, is that correct?

Mr. BILBRAY. Yes; that is correct.

Mr. KIDD. I am ashamed of that personally, I hold some responsibility in that. I think that is tragic for this country of great prosperity. It is a big problem, but I think it can be solved. We can do it, if any country can do it, this country can. I have a great deal of pride and respect for this country. I do not think students today are going to stay in school unless they want to, because now it is not an abnormal thing for people to be drop-outs. Maybe in the 1940's there probably were not many drop-outs at all. You were probably really shunned if you dropped out of high school in that time.

Today, because 25 percent, you are not at all a minority if you drop out of high school. I think there should be a great deal of pride for graduating, from high school alone, and even more so from college, in putting your efforts into getting an education. I think children have to want to go to school and not have to because they do not want to do it. I was that way when I was young.

We need to make it so they want to be there. When you run through the rebellious age of the teenagers, I have not faced that yet, I have three young children though, and I really do not want to think about those days, but they are going to happen for me. But you need to psychologically make children want to do it, have them understand the benefits and what it is about. I think that can be done, and I think it is probably the only successful way in my experience.

It is the same way with running a factory. Obviously people want to work, they do so to earn wages. Although there is a lot of other places they can work than for me, I try to be an attractive workplace. With the benefits, the job security, the product we put out, whatever it be, we try to make it a desirable work place for people. It is competitive out there.

I think schools could be that way. I think schools could be desirable where children want to go. I think learning can be made enjoyable. It is all a matter of how you are taught to look at it as far as the productivity of it. I think business can take a great part in education. I would like to volunteer myself and some of my staff, we have done some work in schools. We would like to do more, we just need guidance. We need suggested help in what we can do, whether it be to attend the classes and discuss, myself as an employer, what we ask for in children. Let them know us, that we are people too and that people are very important to us. Let us communicate with students.

Just as a factory, schools should have more reviews with their parents and the teachers. I think it should be almost required as a part of education for the student. You need to have more discussion with the parents.

I have reviews with the employees and their supervisors regularly. That is how I evaluate them, to establish how they get paid, and their productivity. I like to let them know what our company is doing, because they are a part of it. I do not think that is anything different than the way a school can be run with the students and parents sharing time together. The teachers; a teacher is such a major portion of a student's life as he goes through school. Some teachers spend more time with the student than the student spends with their parents. They are not supposed to be baby sitters, they are supposed to be educators. I can think of how we run a factory as if we had a school run as a factory.

The objective of the school would be to produce smart kids. When you produce a good product and smart children, you should be rewarded accordingly. It would be nice to pay teachers based on the output of their education, how well their students have learned, in some method.

That is the way I pay salesmen. The more marshmallows they sell, the better they get paid. Seems pretty simple to me, the harder they work the more money they earn. I would think that would be too simple to put into the education system. It would be nice if Kidd and Company could only hire college-level students, because that was all that was available. I think we would have a much better product from it, I would be able to afford to pay them the better wages because of that. We would be so much more productive. Everybody would win.

I thank you very much for having me here and I am anxious to volunteer my services to whatever they can be.

[Mr. Kidd's statement may be found in the appendix.]

Mr. BILBRAY. Thank you, Mr. Kidd. We are going to wait until everyone is completed on this panel before we start our questions, because I know that both myself and the chairman have some questions of you that we would like to get answered. Mr. Zara.

TESTIMONY OF MARINO ZARA, PRESIDENT, LATIN CHAMBER OF COMMERCE, SMALL BUSINESS OWNER

Mr. ZARA. Mr. Chairman, Congressman Bilbray, I have become a fan of Mr. Kidd. I do not have much to add to that. I am also a small business owner. I will read what I have prepared, but only to reinforce what he has said. I have very little to add to it. Every time I read this, this morning I knew it was not right, but like always, I come to these meetings because maybe that will make something happen. I do not have very good statistics and you all do very good homework, and I read magazines. But let me just read what I wrote.

I feel that small businesses' needs are very basic. We need workers who understand the value of time, who feel pride in quality workmanship and workers who understand work ethics. We need our employees to understand how time management can seriously affect our businesses. They find it difficult to put into dollar value, every minute going for coffee, chatting with others, interrupting production. They find it difficult to understand.

Many times I have to tell them they are beginning here, they are making $6 an hour, you took 10 minutes to go and do this. It is a dollar. It does not come from a huge corporation, it comes from my pocket. I can do other things with that dollar, other than to waste it. I have to break it down so basically for them to understand the value of the time.

Major corporations have now adopted the practical standard, it is OK to raise the prices to make up for the lost value in our product or in our efficiency. We cannot do that, it is so competitive. You know how difficult it is to make a sale, and get paid on that sale, and to compete with imports. To have all those profits be wasted unnecessarily, no one benefits. This is not like someone taking your money, at least someone has the money, no one benefits.

I came to the United States over 20 years ago so happy. It took me 3 years to save the money for the trip and about 4 years to get the papers all in order. I did not come for this. I came for a country that was really the best and it was. We can still be, but we have to make changes now. Perhaps the only thing I can add to Mr. Kidd's statement is that we need to do it now.

In my business some of the errors can cost me maybe $3 here, $5 there, but at the end of the month I have to start all over again the next month to try to make my business grow with my own earnings, my own net profits.

My company does some exporting and we realize the potential in the world market. They were great times when America exported large amounts of merchandise made in the USA. You could walk down the main street of every city in the world and see billboards

of American made products everywhere. If we do not make better quality goods, not only will we not sell to others, but we do not buy them. We buy others' products because we believe they are better. That is a wrong reflection in our work. I find, though, that many countries still prefer made in the USA products. That is why we do some exporting, because they believe that America still is efficient in every way and plans everything around very well. That is still true, but we have to do better.

I believe that the basic beginnings of work ethics start at home. There, at home, is where children learn their values. The first beginning of respect for someone older, or wiser. They learn how to be thrifty, how to be neat, how to be clean, how to be patient, and they learn about discipline. These values should begin at home and continue through school.

At schools and homes, we compete with the very sophisticated marketing world of television. Our kids learn slogans and theme songs from TV commercials so easily, but they seem to have such a difficult time with school work.

My personal observations are, why do they need 3 months off every summer, they have not learned enough. Why less than 6 hours a day in school? Why is there such a poor discipline attitude in the schools? I think that teachers are parents also, and parents are teachers, and I think that we should go back to where parents have to be communicating with schools.

I think schools have to make it much easier to feel comfortable with their way of doing business, or the way of handling their matters, so parents that are not so well educated, or perhaps, not current with today's way of operating, they can feel comfortable and naturally call the teacher, and talk about the kid. It has become very difficult and it is like the chicken and the egg. Who starts? I think parents have to, but when I talk about it, I get a little resistance from parents that have to make a living by working two or more jobs. We cannot wait for changes.

On behalf of the Governors Small Business Council and the Committee for Education within the council, we support the Nevada Business Plan for Education and submit the following recommendations of our educational committees. We recommend that basic math and reading skills be reviewed every year, throughout the year sometimes unplug the computers and the calculators. Develop a work ethics program with school districts and universities. Bring the instructors of occupational education programs into the work place during the summer hiatus or for brief periods during the year, so they can see the actual way of work today. Consider, perhaps, an entrepreneurial class at an early age with kids.

I think we do not teach kids what they need. Let us get involved with the curriculum. Let us not be so cavalier about the kid choosing his subject. Of course, we have to work at it as parents. Why do we not teach them what they need; how to write a resume, how to apply for a job, how to open a bank account, how to apply for a loan, how to vote? A kid 18-years-old has not been taught in school how to vote. Let us teach them to work. I apologize, I get very excited about this, I have four kids.

Mr. BILBRAY. We appreciate that, because I think both the chairman and myself get very excited about it, too, and very concerned.

That is why we called this hearing today. Believe me, what you are saying is making an impact, and we appreciate it. Thank you.

[Mr. Zara's statement may be found in the appendix.]

Mr. Hawkins.

TESTIMONY OF FRANK HAWKINS, SMALL BUSINESS OWNER

Mr. HAWKINS. Thank you very much. I currently own four different small businesses. One is a construction company that I am 50 percent owner in. My other company is Live Your Dream, it owns three businesses, two convenience stores, gasoline stations, and also a car wash. I am in the process now of opening up a sports lounge. So my total employees are in excess of 40 to 50.

Being truly what I call a small business, I have a problem attracting workers, for wages between $4 and $6 an hour. We talk about applications. When you come in to fill out an application, if you can get the majority to stay at the premises and fill out an application, which you cannot, those that do fill out the application leave more not filled out than they fill in. After you hire them, they have a problem coming to work on time.

I guess Las Vegas being a transient community, when you can work in a small business and be paid from week to week, that does not help to establish any long-term job commitment on their part. So I have found myself last year, just in one store, going through 60 employees, in one year.

We talk about the workforce and after they are hired, they know what they have to do. Basically, a stocker stocks a shelf, cleans the shelves, mops the floors, so on and so forth. But it is a shame when you have to give the guy a list and show him what to do, day in and day out. As far as cashiers go, all of my businesses are cash businesses. So you have a problem of moneys coming up short out of the cash registers. That is my greatest problem, my employees stealing. If they are not stealing the money, they are eating the food. But I can deal with them eating the food, but just do not steal my money. What is your recourse when you have them on film, because all of the cash registers are covered by camera and video, you catch them stealing, whether they steal a $100 or $200 what do you do? How do you prosecute them?

There are no attorneys that want to waste their time for $100 or $200, that they are going to get 10 percent of. If you fire them and try to take the money out of their checks, you cannot do that, because then they go to the Labor Board.

So for every one of these people that it takes you a week or two to train, they may end up working 1 week to 1 month or 6 months for you, and they rip you off daily until you catch them and then you terminate them, it is a loss. It is a loss of your time and a loss of your money.

I think we have a problem in this country and I think I know what the problem is. Our young people have given up on the American Dream, which is an opportunity to make a decent living, to have and own a house, to have a car and all these other objects. If you watch television and if you believe what you see, and everyone wants some Michael Jordan tennis shoes, and everybody wants the fancy house, and everybody wants two cars and three televisions.

The average everyday work person will never reach those simple goals that were possible years ago.

They may reach some of those goals through housing through the Federal Government. The majority of my employees live in apartments. Half of those that live in apartments really do not have a way back and forth to work. I can guarantee you that on every holiday, that I have at least two people that do not show up for work. They do not show up because it is more important to them to be out in the world having a good time with their friends or with their family than being in the work place earning some money for their families.

The excuses for why they do not come to work is, they got sick, but there is no doctor's excuse. "I did not have a way to work, or I woke up late." All of these are excuses because they are not motivated, because they do not believe in the system. They do not believe in the way of life in which we are living. They do not believe that they can be competitive and they are tired of the everyday fight, everyday grunt. You get up on Monday, you go to work, you are 10 minutes late. You leave for lunch 10 minutes early, you come back you are 10 minutes late. You get home from work, you click on the television, you lay down, you eat, your wife wakes you up, you go get in the bed, you wake up the next day and you do the same thing over and over again. I believe that the American people as a whole are tired of this. As for our youth, they do not even believe they can get a job. It is easy enough to get a job in Las Vegas, working in a hotel, making a decent living, but if something happens to our community, if something happens to gaming then are the masses of this community going to be qualified to deal in the high-tech marketplace? The answer is no.

The State of Nevada has an obligation to its people to bring in high-tech to this state, to make available computer systems, to upgrade this university so that it can compete on a level with Stanford and UCLA, so that our young people can grow as our city grows and not only grow in the gaming industry. Because the majority of people that I train, that work for me long enough as cashiers eventually move out and grow away from me and go to the hotels because there is more money.

Me, as a small business owner, I have to provide insurance for some of my good employees to keep them. I also have to set up bonus programs, where if they meet x amount of moneys per day on their shift, then they get a bonus or 10 percent of whatever they make. That is the way that I have to compete with these big hotels.

I also feel it is very important to get the parents involved through mandatory—that our parents be made and that our employers are made to let the parent off 2 days a year, and have that parent spend those 2 days a year in his son's or daughter's classroom. It is too easy for us to point the finger at everybody else.

We, as a whole must take the blame, because we are the blame, because of my problems attracting employees and consistently get employees to stay with my companies for a length of time. As of today, I have three employees that have been with my businesses for 3 years. I have been in business 3 years and out of 40 some employees I only have three that have been there since the beginning.

So I have to go other places and try to find employees. Where do you go? I went through Nevada Business Service, who sent me an awful lot of employees, but there are few that I want to take the liberty to talk about. I do not want to mention any names. There is one young lady that came to work for me on February 29, she lasted until May 26. She was an older lady, and that is what I have gone to is older employees, because the young people do not want to work.

They tell you they want to work, and they do want to work for a week or two, but they are not in the job for the duration. They are in there for the short haul. Another young lady I had came to work for me through Nevada Business Service, she worked from February 1 to April 4 she is a middle-aged lady, really slow on the cash register, and that was basically all I had for her.

One young lady that I really liked, and I had to get rid of her because of gaming, worked for me from February 1, 1989 to February 28, 1990, and in my latest convenience store that I opened I installed some slot machines. She had worked in a gaming establishment and was caught with her hands in the cookie jar and was basically banned from working in a hotel because she could not get a gaming license. She worked for me for over a year, and she did a great job, but the day I put my gaming machines in there, was the day she had to go and get a gaming card.

She could not get a gaming card, therefore I had to terminate her. I hire a lot of felons, because I believe that in this country that if you are rich today you can be poor tomorrow, or poor today you can be rich tomorrow, and just because you do something that you are not very proud of, if you do your time, then you should be given a chance to redeem yourself. So I probably get two or three calls a day from the different prisons in the State of Nevada, of young men wanting jobs, because they know through the grapevine that I am the guy that will give them an opportunity.

I also think it is a shame, since we are on that subject, that those guys, the majority of them, cannot get out of prison unless they have a job. There are not that many employers, that I know of, that would be willing to give some guy they do not know anything about, that calls on the telephone and says he is a ex-convict. "If you can give me a chance, I can get out of jail and start my life over."

Two other employees that I had from Nevada Business Service, both left me for higher paying jobs. I still have one employee working for me. But in closing, it is a problem that is going to be with us for awhile, but I guess we have to decide what is the best way to attack it.

I know when I was in college you did your internship at the end of your senior year. It is a shame, so many people have gone to school for 4 or more years and graduated and then found out that that is not truly what they want to do. So it might benefit us if we did our internship the first year we were there. I guess such is life and life is such, but thank you.

Mr. BILBRAY. Thank you, Mr. Hawkins. At this point I will start the questions with the permission of my chairman. What I would like to ask basically is, all of you basically have either had problems in keeping employees or finding people qualified; Mr. Kidd

and Mr. Zara, particularly, people coming in without the work ethic, is what you are telling me, and not being prepared even to interview.

We recently had a job fair and we found that, one of the areas we had at the job fair, we had thousands of people come through that job fair, the most successful that was ever handled in this county, and one area we had was how to fill out a resume. We found out the majority of people coming through did not know how to make out a resume. We found the majority did not know how to fill out a job application, which I think both of you have stated.

I think Mr. Hawkins said that half of it was not filled out. What can we do in the schools, either through vocational education or through the regular high-school system to provide meaningful help to you on a perspective employee? For instance, if you requested it would a school provide you a student, with his permission, a copy of his transcripts, a copy of his test scores, what courses he had taken that apply to you, or has anything like that ever occurred to you as a possibility of finding qualified people? Do the schools cooperate in just even giving references on students, that if you called Las Vegas High, Rancho High, or Clark High, would they say, "Joe Smith from this school has made an application, what kind of reference does he have, what kind of a student was he"? Basically, do you get help like that. I will throw it open to whoever wants to answer that.

Mr. HAWKINS. I would say that, in regards to the question, that from what I have gathered, the counselors call and recommend to you. I have not called the school and asked questions about the youth and their grades, because I do not think they could give you that information. I think they could be general.

But in regards to other businesses, for example, if a guy has worked and I am doing a background check on him, and I call another business and ask questions about him, basically all the other business is going to tell me is that he is rehirable or he is not because anything else I think you get into the possibility of having some legal action for defamation of character.

Mr. ZARA. I have not had schools call me. I did put a job application and some kids called me directly. I think that in schools you find those counselors or teachers that are actually dedicated and want to do what kids need, and then you find the ones that are more interested in keeping a system going. I will just submit to you, perhaps, what is done in several countries in Europe.

One of the reasons I think we lose a lot of kids to dropping-out is because they are not very comfortable with some of the academics in school. But they could be much more enthusiastic if they were able to accomplish something and see the results right there. I think that is where vocational teaching comes. In several countries in Europe, where I was born and raised in three different countries in Europe, kids go to school to age 14 for elementary teaching.

At age 14 if you are going to go to a university or to a professional degree, doctor, attorney, and so on, you have 3 years of high school and one year of preparation to university. You choose, and you are pretty much stuck with what you choose as a major from then on.

On the other hand, if you are not going to follow that, then you have 5 years of trade school. When you come out of 5 years of trade school, you come out with a diploma that gets you a job, that says master mechanic. See today here, the reason why perhaps kids do not really think much of school, is because a high school diploma does not mean anything. It really does not tell me anything about that kid when it comes to hiring him.

So they have to look for, "Either I am going to become an attorney, or I am going to become an accountant. I am going to have 4 years of college. Maybe I will get some respect and find a proper job." We have kids at 13 or 14 years old that are too busy with "What can I do today." Now if taught him to be a carpenter, now he can start to feel that accomplishment and effort gets rewards.

I do not think we have that in the schools today. I think that it is all academic. I think that it is less than 20 percent that go to college. But all the direction is academic.

Mr. BILBRAY. Let me ask you Mr. Zara, in some of the things that I have read about the European system, in many of the educational systems, the student does not even make that choice really.

Mr. ZARA. Right.

Mr. BILBRAY. The school makes that choice for him at a certain age. You are saying at 14. I know that there are a lot of late bloomers. One of the disagreements in that system has been that some of these people, you are making two classes of society. You are taking a lot of students that virtually are geared right into the trades right off the bat at age 14. But your particular businesses, that if you had people coming out with that particular background that fit your particular needs—how much time does it take you to train people, basically, if a high school graduate walks into your business?

Mr. ZARA. Probably 5 to 6 months to train him to be able to do a full day's productive work. I guess we have to educate the kids. We do not only have to train him, we have to educate him to understand entrepreneurial needs, to understand competition with other products, to understand the value of, if you do it right I get a phone call and I do that. I have my employees know when someone calls me to tell me your product, that particular thing, was real good, thank you very much.

I also since 1981 in business, I think I have three out of 24 employees, three that were there at the beginning, and two of them are Oriental, not born in this country. So I find that the younger generation of today, like Mr. Hawkins said, do not believe what is still there.

Mr. BILBRAY. Mr. Kidd.

Mr. KIDD. In regard to talking to a high school as far as reference and things, I do not think we have communicated with schools as far as background of these students. I do not really know if a school could provide what we want to know.

My understanding is that school is supposed to provide the reading, writing, and arithmetic, which we do not have a method of testing that for people until we just make our observation in an interview and we bring them on board and then they do their interim period of job training. In our positions, honestly, we have a couple different—we have the skilled and unskilled such as pack-

ing our product or palletizing. Two days if a person does not have a grasp of that then they are not really—and it is not because they cannot, it is because they do not want to. It is too mundane for them or something.

Mr. BILBRAY. Have you ever entertained having internships within your business with the high schools With people who might be interested in working for you when they graduate, that could maybe earn high school credit or something like that by working for brief periods, 6 to 8 week internships? You might even give them some kind of stipend. We do that in the Federal Government. Sometimes you find a particularly good intern.

Brent was an intern, for instance, that was hired in my office because he did such an outstanding job. But do you ever consider internships or have you talked about it?

Mr. KIDD. I think we have in Indiana. We have been in a work-release program, it is called in the schools there. I do not believe that we have been approached about it here in Nevada, or that the schools have that. Where they actually get class credits, they are allowed to leave school a little bit earlier than other students. It usually happens in your junior or senior year only.

I think in Indiana it was the senior year only. They actually came to work and earned a wage and then we had frequent reviews with their instructor in regard to that. One of the problems though, was with the school, there was a long waiting list of kids that wanted to be on it and it was only limited that they could do it, and it was very short, I think every student should have an opportunity to do that.

Mr. BILBRAY. So you approve that kind of a program.

Mr. KIDD. Oh, yes, I would welcome it. We would love to discuss that with our company and put them in whatever positions we feel can be beneficial to themselves and to us.

Chairman SISISKY. I thought it very interesting that all three of you gentlemen talked in some way or other about parents and parental involvement. I thought it interesting, Mr. Kidd, when you mentioned reality, responsibility, and respect. I thought you would expect all three to come from the home. But therein lies the problem, because we are no longer perfect homes. Someone mentioned it, somebody holds down two jobs, the great thing of single parents today. It is unbelievable, where there is only one parent in a home. I remember talking to teachers, particularly from disadvantaged areas who could not get parents to come to school a single time during the year.

So I would assume you think this is part of the problem. But let me get down to the nuts and bolts of what we are doing here. How would you grade—now you are entry level jobs, I assume without a lot of technical training or anything. How would you grade the school systems, poor, satisfactory, excellent? I am not trying to put words in your mouth.

Mr. HAWKINS. I think if you want to grade the school system, you grade them on what they teach. The question is do they teach how to survive out in the real world or do they teach English, Aalgebra, and those types of history. As far as we are concerned, I guess what we are asking is that what it is going to take to get a job and keep a job.

If you look at the Asians that are coming to our country, they may not be able to speak English, but they can add and subtract backward and sideways. They understand the value of a dollar. Americans as a whole do not understand and appreciate the value of a dollar. We live from paycheck to paycheck and everybody lives beyond their means.

So if it is the school system then that is what has been taught through history and it is time to change what we have been teaching. If we are teaching everyday curriculum then that is what they are doing, they are not teaching survival skills in the real world.

Mr. ZARA. I agree with that. No need to add anymore or we could talk for 2 weeks about that.

Chairman SISISKY. Sometimes it is a little difficult to ask the school to teach survival in the real world, because you still need reading, writing, and arithmetic. If you cannot read, you are missing something that is really basic. If you cannot read, you cannot do anything. You cannot even learn math.

Mr. KIDD. I think those three items though, if you look at the whole picture, we are looking at 12 years of a student's life to just learn those three basic skills, and still that is missing out. We are just going by that as if they learned that early in their class. I do not know where it falls short or anything.

But as far as grading it, it seems much too intense to try to describe it or grade it. I spent several days just trying to put it on paper on my input, and what my experience is with it, and where I am actually describing the shortcomings that we have together being the lack of educated workforce that we are describing here.

Chairman SISISKY. Mr. Kidd, you asked what you can do to help the system. I have got to teli you as somebody who has come to your State and accepted your hospitality, you ought to be working toward. Number one is stop the school drop-out as best you can, and I do not care how you do it, use innovative ways. Because all you have got to do is look at the prison population. I have not looked at the prison population in Nevada, but I can tell you what it is in Virginia. About 80 percent are school dropouts.

Just last week I was in a very poor school division in my area that had a school dropout rate of 13 percent, 95 percent of the school system were minority students. We got them a grant, to spend $50,000 to set up a business, believe it or not making copies of things in a strip shopping center. They were able to negotiate a lease there. They have six young people and several others from the community that are working with them.

But just think of it, saving six lives, because that is basically what they are doing. I guarantee you three of the six would have been in a penitentiary costing us $20,000 a year. So that is something you can do, if you cannot educate the children, you can do something, and I do not know what it is, if you have to put pressure on your school administrations, your politicians, or anyone to try and stop that school dropout rate. That is the first thing.

Mr. KIDD. To elaborate on that a little more, I agree. I am a pretty good salesman, and I think I could talk some kids into staying in school and understanding some realities, perhaps. Maybe 1 in 10, but that is a big advantage, just 1 in 10 even.

The students that dropout of school, do they just not show up and then they are dropped out? If they are above 16—is that the educational age in Nevada?

Chairman SISISKY. I know we have to go to the next panel, but what I tell young people all the time, there used to be a time, not 6 or 7 years ago, when if you did not want to study hard, you could dropout of school, and join the Service; the Army, the Navy, the Marine Corps, and the Air Force. They will not take you today without a high school diploma. You cannot get in without a high school diploma.

Mr. KIDD. No; they will not take you now.

Mr. BILBRAY. Plus the fact that they are going to knock off 25 percent of the size of the military in the next 5 years.

Mr. ZARA. I am involved with dropouts, and with the Latin community in Las Vegas, you know that I know about dropouts. We have a bigger problem than the average American. Perhaps, what we need to do, the schools need more discipline, and maybe we can do like they do in Kentucky. If you are not in school, you do not get a driver's license. Let us talk about what kids are going to do—whatever it takes to keep them in school.

You tell them they are not going to drive a car, I think they are going to go to school everyday and be there on time. We have to face reality. The three r's that we would all very much like to take from you and learn about those three. But I think that is what we are doing. I think that the schools need to do their business with reality not with a 10-year-old curriculum.

Mr. BILBRAY. We appreciate, gentlemen, your testimony. The next panel will be people that will try to tell what they would like to see changed and what they plan to do within the community, hopefully, taking into consideration your comments. But I would like to make one comment, you mention getting to the parents. My wife works as a volunteer in my daughter's high school in northern Virginia, where my youngest goes to school.

One of the appalling things is that 20 percent of the parents will not give the school a phone number where they can be contacted. Some of those people just do not have phone numbers, but others have made the statements, "I do not want to be bothered by the school calling me if my kid is in attendance, and I do not want to be called by the teacher to come in for conference." But 20 percent refused to give the school a phone number.

So, as the chairman has said, that trying to beat some of these people over the head to realize that these young people that they are raising will not be competitive in the market, and will end up one of those statistics, either as a homeless person, as a derelict, or in jail, or certainly in a substandard living condition for the rest of his life, is all they are leading those children to, is very difficult. Because some of them are really scratching to survive themselves and are having a real rough time and are not looking at their children at all.

Other parents that come from very meager instances are down at the school constantly, volunteering. They are working two jobs and volunteering to coach, teaching the drama club, and are commendable. So it just seems the work ethic has to be passed on to

the children and if they do not pass it on, the children do not get it.

But hopefully the next panel will give us some benefits of their wisdom. This is the first hearing of this type in the entire Nation and hopefully by the time we go around the country with this and in Washington, I have talked the chairman into many of these, that we will maybe get some solutions and be able to get back to you with the final report on this particular series of hearings that you may be interested and may have further input.

If you do have other input you would like the committee to have, please let it come in writing to my office and we will put it in the permanent record. Thank you.

[Whereupon, a short recess was taken.]

Mr. BILBRAY. Thank you; the second panel, which is the final panel, is joining us. It is the education panel. The first witness will be Ms. Jan Biggerstaff, who is the vice president of the Clark County Board of School Trustees and a local businesswoman, thank you Jan, for coming. Also, Mr. Bill Trabert and Mr. Thomas Weir. Mr. Trabert is the director, occupational and continual education. Mr. Weir is currently both the chairman, Southern Nevada Private Industry Council and Southern Nevada Employers Job Council. He is a member of the State Job Training Program. All three we hope will be able to address the problems they see, and some solutions where we on the Small Business Committee can help you in solving the problems that you heard, some today, and certainly the large volume of letters you have probably received and we have received over the last, at least myself, over the last 3 years as a member of the Small Business Committee. We will start with Jan, please.

TESTIMONY OF JAN BIGGERSTAFF, VICE PRESIDENT, BOARD OF SCHOOL TRUSTEES, CLARK COUNTY SCHOOL DISTRICT

Ms. BIGGERSTAFF. Good morning. Mr. Chairman, Congressman Bilbray. As a small business owner and a policy maker in the Nation's 16th largest school district, I take particular interest in the thrust of this committee's work today. In both roles, I am committed to a better-trained entry-level workforce. My business will flounder without a well-prepared workforce, and the Clark County School District will not enjoy the community support so necessary to sustain our dramatic growth without evidence of producing a better-prepared student ready for our workforce.

I am pleased to join my colleagues, Tom Weir, chairman of the Private Industry Council, and Bill Trabert, director of occupational education of the Nevada Department of Education. Both individuals have played pivotal roles by promoting programs designed to create that better-prepared workforce.

There is much rhetoric in the discussion of work-force preparation. For the sake of clarity, I want to avoid rhetoric and concentrate on some new directions necessary to attain the goal.

We know that workforce statistics, a topic I believe Mr. Trabert will discuss in detail, clearly point to the need to redesign our curriculum to include the skills necessary to ensure the work preparedness of our graduates regardless of the postsecondary education plans.

We know that significant advances in workforce preparation are only possible with the help of business. Only collaboration will bring about meaningful change. Role models, such as Tom Weir, have taught us all a valuable lesson in working together to that end.

We know that meaningful improvement requires serious restructuring of both business and education.

It is to this last point that I wish to address the remainder of my comments.

Mr. Chairman, we, as policymakers, have made some significant accomplishments in restructuring schools, promoting a new and productive relationship with business, and creating new programs to provide a better-trained graduate.

Let me speak to restructuring first. We have made a concerted effort to return authority for decision-making to the level closest to production, the school. This is a lesson well learned from industry. In doing this we look to the local schools to take on a new spirit of positive competition with each other, openness to self-imposed accountability efforts, and creativity which has long been bottled up in our schools.

We have made bold advances in enriching teacher preparation and we must recommit ourselves to more staff training as a method of improving our output. This also relates to our recent efforts in increasing parent involvement, input, and authority in our schools. We view increasing parent involvement as critical to restructuring efforts.

We have not been deaf to the suggestions of business. Contrary to popular thought, we have promoted their input. In particular, we are intrigued with the work of the National Alliance of Business. An excerpt of their work on restructuring education has been attached to my written testimony for your review. They suggest that as education restructures so must business change its role from critic to contributor.

So you ask, how else are you going to restructure education? My response is that we are going to continue to open our doors to public scrutiny and suggestion, this includes an invitation to business. We, in the Clark County School District, have demonstrated this with our strategic plan, frequent community input sessions, and a superintendent who encourages sound, creative ideas.

The discussion of restructuring is complimented by a new brand of school/business relations emerging in our district. While we open our doors to the outside in our restructuring efforts, we are also aggressively enlisting business as an active participant in bringing about the solutions to their expressed concerns. There will be no bystanders, only participants. Let me share just three of the many programs demonstrating the brand of participation we seek.

School Community Partnership Programs, nearly 300 active partnerships with at least one operational in every school in the district. Three benefits derived from these partnerships:

First, children benefit immeasurably from corporate participation. This is best exemplified by the nationally recognized Citicorp-financed, Helping You, Helping Me, where more than 300 high school tutors are able, with corporate support, to tutor, after school hours, more than 2,000 of our elementary school students.

Second, business fulfills their community investment obligations so necessary to build a positive corporate profile.

Third, corporate staff and leadership are afforded an inside view of education previously once the domain of educators. This creates fertile ground for productive relations between business and education, a relationship long missing between the two.

Continuing with more examples of the growth of school/business relations; Joint skills committees have been developed to actively include business in curriculum design, particularly in the occupational education area.

We have pressed our board and top management into frequent and productive dialogue with the business community. That is, we wish to be a contributing influence with the Chambers of Commerce, Nevada Development Authority, and PIC. These influences have grown from the similarities between education and business, rather than differences between the two. In fact, we are the biggest single employer in Nevada. We manage nearly $½ billion, expend most of it in the local economy, and are in the middle of a most ambitious building program.

Yes; we are a major player in the business climate of this community and are, not surprisingly, very much interested in obtaining the best-trained workers for our own workforce. We, as an organization, are, in fact, one of the most important customers of our own product. Thanks to your leadership, Congressman Bilbray, we have been the recipient of many excellent employees from your sponsorship of the Job Fair. Thank you for your forward looking approach on this matter.

Finally, I wish to address the new programs designed to better prepare our students for workforce entry.

We are most encouraged by the efforts of Congress to enact enlightened legislation such as Perkins and JTPA. These programs have changed the image of occupational education and job training from a skills and materials orientation to a knowledge and process orientation. The product of this change has been increased academic orientation for vocational education courses. New courses such as the junior high offering, Introduction to Technology, and its senior high counterpart, Principles of Technology, are prime examples of this trend.

I must, though, point out that present Federal legislation is very restrictive with respect to updating the equipment used by our students. We firmly believe the Federal Government can again play a valuable role in providing state-of-the-art equipment for our schools.

Through the mechanisms of the legislation and encouragement at the local level, we now have established articulation committees designed to coordinate programs between secondary and postsecondary institutions. Articulation reduces unnecessary and counterproductive duplication while promoting a continuum of services.

The stated examples of our progressive efforts in this regard have brought us a long way toward producing a better-prepared workforce. Despite pressing social problems, such as drug abuse and teen pregnancy, we believe the Clark County School District is well positioned to be a leader in workforce preparation.

Thank you for allowing my testimony today. I would be pleased to answer any questions.

[Ms. Biggerstaff's statement may be found in the appendix.]

Mr. BILBRAY. Thank you very much Ms. Biggerstaff. Mr. Trabert.

TESTIMONY OF BILL TRABERT, STATE DIRECTOR, OCCUPATIONAL AND CONTINUING EDUCATION, NEVADA DEPARTMENT OF EDUCATION

Mr. TRABERT. Mr. Bilbray and Mr. Chairman, if I may use the podium.

Mr. BILBRAY. All right.

Mr. TRABERT. I believe if I use the over-head I could shorten my remarks quite considerably.

Mr. BILBRAY. Your entire remarks have been put in the record.

Mr. TRABERT. Thank you, Chairman Sisisky and Mr. Bilbray and thank you for having us here today to discuss the important role of education and the education problems in the labor force. The State Board of Education with the assistance of Carl Perkins funds, did establish several committees representing just business, industry, and labor to advise them on the changes needed in occupational education.

They came out with this plan to restructure our whole system of occupational training, beginning at grade seven and articulating to the postsecondary and university system. It is from their clean and clear advice that we got dramatically concerned with the role of small business in the economy.

We have learned that the good news, 88 percent of all new jobs in America are created by companies with 20 or fewer employees. That small business employs almost half of all U.S. workers and that small business produces 2½ times as many innovations, products, services, techniques, or processes as do large corporations. That is where our modern processes are coming from.

But the very bad news is that three quarters of all small businesses close within 2 to 5 years. Sixty percent of small business closures in the first 5 years are due to a lack of management skills and poor worker productivity.

The message education hears from business at large is they need an independent thinker, a person skilled in the academics, a person who exhibits work ethics and cooperative behaviors. We have heard these needs repeated this morning.

One of the major problems is that small business entrepreneurs do not have the time, nor the resources to both educate and train the products of education, graduates as well as dropouts. Education is simply not meeting the real needs of business for an educated and productive worker in today's technological system.

I think the Wall Street Journal said it very well in February of this year, when they added a supplement to their newspaper. They said it well when they wrote: Smarter Jobs, Dumber Workers. Is that America's Future?

Jobs are becoming more demanding, more complex. But our schools do not seem up to the task. They are producing students who lack the skills that business so desperately needs to compete

in today's global economy; and in doing so, they are condemning students to a life devoid of meaningful employment.

Better corporate retraining may serve as a stopgap, but ultimately the burden of change rests with our schools. While debate rages about how change should come, almost everybody agrees that something has to be done, and quickly.

We are hearing the same message this morning. The business community talked to us about the emerging skills gap that was just described by the Wall Street Journal. Of the cohort, ages 20 to 24 years old, studied in 1987, 56 percent did not have skills or very basic minimum skills, and yet by the year 2000, 4 percent of the new jobs in America are expected to be at that level, requiring none or low skills.

In that same cohort, ages 20 to 24, 33 percent had technical skills and some postsecondary education training, yet by the year 2000 it is projected 84 percent of all jobs will require those technical and postsecondary technical skills. About 11 percent of that age group had a baccalaureate or higher degree, and it is projected that 12 percent of the available jobs will require a baccalaureate degree. I have seen other data that suggests that will raise to about 16 or 18 percent by the year 2000. That is the skills gap that we are facing here in America.

Another problem contributing to this is, I think exemplified by a study done in California. They studied eighth graders to see what career plans they had. Over two-thirds planned on a college degree and yet only a third of that group actually enrolled the next year into a college preparatory program.

Chairman SISISKY. Say that again.

Mr. TRABERT. The eighth graders that were studied, two-thirds of them told the survey that they wanted to get a college degree and were planning on getting a college degree before entering work. Yet the summer went by and only a third of those students actually enrolled in a college preparatory program.

Their aspirations and what they were taking in school were vastly different. Most enrolled in general education. Another study of sophomores in California indicated half of them still had a college preparatory degree in mind, but were not enrolled in the college preparatory program. So the job skills gap is alarming especially when we look at the expectations of students in relation to the course they are actually taking in school. A lot has been said about the dropout rate in the Nation, at 25 to 30 percent.

Nevada is one of few States that is taking a different view in how to compute dropout rates. I expect the Nation to grab onto this model because the 25 percent, 30 percent that you hear estimated is an estimate. Nevada has started, in 1989, a head count of dropouts period. We found that Statewide there was a 4.9 percent dropout in the 9th grade, and up to a 13 percent dropout in the 12th grade. This represents a total of 4,780 students who dropped out of school in 1988-99.

What we will do is track those names now through each of the succeeding grades. The problem with the estimates that the Nation is doing, is that it does not account for the transient nature of students moving from one school to another. So this will give us a handle, but what worries us is if the same rate continues on 9th

graders when they become 10th, 10th when they become 11th, we could have over a 30 percent dropout rate. That is frightening.

We will be able to determine if our dropout prevention programs are working. Clark County has developed excellent dropout-prevention programs, which should impact these rates. But what these tables tell us is that most people aim at nothing in life and hit it with amazing accuracy. That, I think, is the dilemma of our high-school graduates. They are not ready to determine what their goals are.

The good news is that the job market will be wide open to young people in the 1990's. The jobs are there in the technologies. The bad news is that without a high school diploma, without some post-secondary education or training and good employability and work maturity skills, the jobs of the 1990's will be low skilled and low-paying or nonexistent for those who do not have a high school diploma.

Some comment was made this morning about the new entrance to the workforce. Eighty percent of new entrance by the year 2000 will be minorities and women. That is a drop from 47 percent to 15 percent for white males. Women, white or of any race, and members of minority groups are not participating today in science and math with a good deal of success. We must turn that around in our schools.

What business and industry told us is that all students and workers must possess these skills: problem solving, resource management skills, decision making, knowledge of computers and technology, understanding the economics of work, applied math and science to the technologies of work, career and personal planning skills, and interpersonal skills. We believe this, and the programs that the State Board of Education adopted with the assistance of the Carl Perkins Act are designed to address those very same skills.

These programs that the business community has recommended to us are now being put into place around the State, with a lot of dedication, cooperation, and perseverance of local school officials.

One program allows academic credit to be achieved in occupational education. We have known for a long time, we teach a lot of applied math and science, but we have never acknowledged that in terms of credit for the student. Putting this into law and allowing it is helping occupational teachers to increase the academic, hands-on applied learning so sorely needed by today's workers.

We also allow in the State, dual credit, where a student can receive a Carnegie-unit credit, a high-school credit, and a post-secondary credit, for taking the same course when that course meets the standards of both the community college, the local school district and the State Board of Education. This will provide Nevada with an excellent dropout-prevention tool. If a student knew that they were taking a high-school course and also succeeding in getting a postsecondary credit, the fear of going to a community college certainly will be lessened. We believe that there is a good change in education going to come out of this dual-credit program, a lot more cooperation between the two sectors, including some breakdown of the division between high school and community college.

As was mentioned earlier, the State Board has put into place with Carl Perkins funds, model programs including introduction to technology. These courses will be required of all students in grades seven and/or eight by the year 1992. This program replaces the industrial arts program, which really served the industrial revolution in the industrial age. Intro to Tech is to serve the next century and the decade we are in.

Home and career skills, also required of all students by 1992, taught in grades seven and eight, will help us to reach those students who are potential dropouts, those students who are having difficulty making sound decisions, for their personal lives, their home lives, and their career lives.

We also put in place a requirement for an occupational career guidance program, grades 7 through 12. This program is going to relieve the guidance counselors who currently serve only the at-risk students and the college-bound students, leaving a big void for most students, a good 80 percent enrolled in our schools. This will give all students some sound career and educational guidance connecting them to the world of work.

Finally, the State Board is working on a tech prep program that will link science and engineering students, technologies from the community college to the university, from that of the high school. Principles of Tech that was mentioned earlier, is one of those programs.

We would not be here without the leadership of both local and State boards. I would like to close with just one statement, because I think we talk about the vast institution of education and find it difficult from the business community viewpoint to understand why change does not occur immediately, or at least by tomorrow. It is difficult for education, a public institution, to catch up with the rapidly changing technologies in the world of work. I think Mark Twain said it well when he said that, more people will resist change the longer the transition lasts. I see education today moving very fast to catch up.

Mark Twain also said, and I think a little humorously, to do good is noble, but to advise others to do good is noble and it is easier. We must all roll up our sleeves to join in partnership with business and industry, other training programs, the Job Training Partnership Act, local and State boards and Congress, to effect the changes we sorely need to make in America. I thank you very much for this opportunity.

[Mr. Trabert's statement may be found in the appendix.]

Mr. BILBRAY. Thank you; at this time, unless there is an objection, all charts and all testimony will be put in the record, and we certainly would like to make sure that we get copies of your charts that you just gave information on.

Mr. TRABERT. Yes; they are available.

Mr. BILBRAY. Mr. Weir.

TESTIMONY OF THOMAS WEIR, CHAIRMAN, SOUTHERN NEVADA PRIVATE INDUSTRY COUNCIL, CHAIRMAN, SOUTHERN NEVADA EMPLOYERS JOB COUNCIL, MEMBER, STATE JOB TRAINING

Mr. WEIR. Mr. Chairman, Congressman Bilbray, my name is Thomas N. Weir. I am chairman of the Southern Nevada Private Industry Council. I serve on the board of directors of the National Association of Private Industry Councils, chairman of the Southern Nevada Job Service Employers Council, past president of the North Las Vegas Chamber of Commerce, past chairman of the Occupational Education Council for the Clark County School District and I serve as a member of the State Job Training Council.

I own my own consulting firm, Thomas N. Weir and Associates, here in Las Vegas providing services to Executive Suites of America, doing business as the Home Office and other small businesses. Thank you for allowing me to testify and come before this committee.

It has been stated many times, 80 percent of the businesses employ less than 20 people. Yet, most educational and training programs are designed to train individuals for jobs with large institutions. Our country has gone through many evolutions such as the agricultural age, the industrial age, and now the information age. Training and technical education have become increasingly necessary for not only the large businesses, but for the Mom and Pop operations.

The Private Industry Council, together with local elected officials have set forth goals and objectives that have implemented programs essential for successful operation in southern Nevada. Rather than provide participants of the program with training that may or may not be valuable to prospective employers, Nevada Business Services maintains constant communication with the employer community.

Nevada Business Services helps local businesses solve their business-related problems by using four creative processes. These are personnel services, education and training, financial incentives, and providing a varied workforce.

For new businesses training is almost always necessary, and the new employees low productivity for the first several weeks is costly, but unavoidable. Therefore, we offer to business on-the-job training. This is a cost-effective way for companies to hire and train new employees.

In addition to the above, an employer may wish to utilize individualized customized training and/or Quick Start Job Training Programs. We also provide testing and assessment for all of our participants, a 55-plus program for older workers who find it necessary to relocate or change jobs, work experience programs, summer youth programs, and a year-round youth program named NEBCORP, which is designed to provide participants with a GED or high school diploma while working at a good job earning $4.50 an hour. Each young adult attends 10 hours of schooling each week in a classroom environment.

Nevada Business Services has also teamed up with Nevada Employment Security to work with the long-term unemployed, designed to provide new career opportunities to the individual.

According to recent research information, the State of Nevada saves over $800 in unemployment benefits on each person participating in this program. We also work with welfare and their JOBS Program because of our relationship with business.

Every small business, that is really successful, must offer some kind of basic skills training to compete for today's worker.

The Job Training Partnership Act was created to assist in deferring the cost of training the harder to serve. But yet, due to the limited funding, contracts must be shorter, or a company is criticized for taking advantage of the system or the program is accused of being a welfare system to business. It is extremely costly to a small business just to handle the paperwork for an OJT contract.

I have told you of our programs, and who we impact. Our total budget in 1989 was $5.8 million in 1990 the allocation will be $5.2 million, an 11 percent reduction. In 1989, we had, in the total service delivery area which includes Lincoln, Nye, Esmeralda, and Clark Counties, 75,060 eligible families. We were able to serve 4,268 or 5.7 percent, and our needs continue to grow.

Although we have a limited budget, we attempt to work with all education including the Governors 8 percent educational set aside as well as the Carl Perkins Act.

My understanding is the Carl Perkins Act was passed for the improvement of occupational education. In the act, Congress included the requirement for input of the private sector with the creation of occupational councils and task committees, however, they left out the role of these councils, plus they gave the councils no authority. I have and do personally serve on these councils. I speak from experience. Even though we currently have over 300 partnerships, extensive involvement in the educational process is limited. A lot of partnerships with business are commonly known as fluff. They are really nice to have, but they do not truly impact the educational process.

When we see statistics such as 4,780 Nevada high school students, 9.5 percent of the total high school enrollment dropped out of school, I want to make it clear that I can show you statistics that show us with a 45 percent dropout rate, I can show you statistics that show us with 9.5. I believe those are truly the high school dropouts. The ones that we are most concerned about.

We see statistics such as General Motors, believes they pay for education three times; first in the form of taxes, second in the form of lost productivity and third, they operate the largest privately owned education system in the country. Statistics such as Motorola spends $40 million a year on education and 60 percent of that $40 million is spent on remedial education in the field of math and language skills.

As business people, we question what is happening in our schools. Additional statistics state that the lost productivity costs this country in remedial education $25 billion a year. Over 700,000 students will leave before they receive a high-school diploma. That costs us $250 billion in wages and unpaid taxes. Forty percent of our 17-year-olds have inept reading skills, 25 percent of our 17-year-olds have the ability to write a persuasive letter. Math skills have improved a little bit.

Fifty-one percent of our 17-year-olds can handle moderately complex math problems. However, only 6 percent can handle a problem that requires the use of algebra or a multilevel problem solving system. If you really get into geography, one-third of our 17-year-olds in the United States cannot locate France on a world map.

Albert Shanker, president of the American Federation of Teachers, states, a radical restructure in schools, just as we are having in business, is the only way that we will be able to survive in the world economy, otherwise, we are simply not going to make it. So often, administrators and elected officials give the impression that business is attempting to usurp their position or power.

Because of our communication systems, television, radio, and computers, our new generations are much more informed and experienced than we were. This generation and generations to come move at a pace that we must be able to react to or we will lose them. We must be able to streamline our system affording us the opportunity to change rapidly.

I am reminded as a member of the National Association of Private Industry Councils Board just how small the Job Training Partnership Act really is and how large our responsibilities are. We can only serve 5 percent of our eligible population nationally, and if the current trend continues, we can simply return our money to the Government, because all we will be doing is scratching a scab on the sore of our Nation.

With the latest reduction in our own SDA based on outdated statistics, this is already occurring. Yet, as a small-populated State, our dilemma continues. Even though we have unprecedented growth, our welfare rolls grow, our street people increase and our job training, employment security and educational dollars shrink. With a national budget for education in excess of $190 billion and local budget in excess of $400 million plus the Job Training Partnership Act $4 billion, with $5.2 million spent locally, and some local elected officials such as Jan, administrators like Bill and teachers working with the business community, we are still losing the war.

I do not know the political ramifications, I am not a big corporate executive or hold an MBA from Harvard, but I do know that if people, not programs, or big time corporations, are given a chance with training, assistance, and education, they can be successful and self sustaining.

We must have a new sense of cooperation between business, Government, teachers, and administrators of our schools to save our generation or the generations to come.

Ernest L. Boyer, president of the Carnegie Foundation for the Advancement of Teaching states, if a health epidemic were striking one-fourth of the children in this country, a national emergency would be declared. But when hundreds of thousands of students leave school every year shockingly unprepared, the Nation remains far too lethargic. I think today is a prime example. We need a larger vision, an urgent call to action. Let us commit ourselves to rebuild the Nation's schools just as the Marshall Plan helped rebuild a devastated world. Thank you for allowing me to address your committee.

[Mr. Weir's statement may be found in the appendix.]

Mr. BILBRAY. Thank you, Mr. Weir.

Mr. BILBRAY. Starting the questions, you were here, I think most of the panel were, when Mr. Kidd was here, and he brought up the fact that in Indiana they had internship programs at his family factory in Indiana which the student could enter and earn credits while working in the factory. I presume, Mr. Trabert, that similar programs exist in the school district—or would you explain how your programs parallel to that sort of a program?

Mr. TRABERT. Yes; there are programs in Clark County School District and throughout the State of Nevada, although not a lot in the rest of the State, that do allow a student to be enrolled in an occupational program in school and also to work in a related occupation out in the private sector. A coordinator is hired to make sure that there is feedback from the employer to the instructor and that there is a supervised education program going on in that business. So that there are some goals and objectives for the students to meet. In that kind of program, there is high success rate.

There is research that shows that there is high success in retaining dropouts or potential dropouts in the school. The student will receive both the credit for the program in the school as well as a credit for the hours worked in the private sector. It is excellent in connecting students with the real world and to have an opportunity to learn what it is going to be like in that occupation.

Mr. BILBRAY. Have we considered, or are you considering, or have you worked on programs that much similar to the European system where, not going to the extent of the European system where you actually tell the student, you are not college-bound material, you are going to go into a vocational program, I do not believe in that, because I know that there are late-bloomers? Young people that at 14 and 15 do not look like they could ever produce much of an education excellence in their future careers, but that bloom when they are 17 or 18 and so forth.

So I do not believe in tagging a student as you are not fit for a college education, you are going to go this way. But, knowing we are losing somewhere between 15, 20, 25, 30, who knows what percent, because I understand that if a student leaves school at the end of his sophomore year and does not reregister the following September, he is not really in the statistics of a dropout. The dropout is only registered when he is in school from September to June. Is that correct?

Mr. TRABERT. Yes; it is.

Mr. BILBRAY. So we could lose another 10 percent from one year to the next, we would not even pick it up? What I would like to know, is would we consider a program, that say at 15 or 16 we would say to a young person, you are thinking of dropping out of school? We have programs in industry, like Kidd Marshmallow, or other companies that Mr. Weir knows of, you can go to that particular company and you can go to work starting next January, if there is an opening, whatever, if you are interested in a career in that area.

You will be under supervision of somebody in that company and you will be able to make some sort of minimal salary while working there every day. At the end of a 2-, 3-year program or whatever

it is, you have successfully completed that program, we will give you some sort of specialized decree, general education degree, or whatever it may be. It may be something like we did in the associate of arts degree in college where we basically have an AA degree that somebody could pick-up that does not want to go on, once they are specialized in a particular vocation. Have we thought about something like that or are we doing anything like that?

Mr. WEIR. Congressman, I am a product of exactly what you are talking about. In 1964 and 1965 I was in a large resort city, at a very large resort. I did not need high school. I was a banquet waiter at the age of 15. I could care less about school or anything else that was going on.

I had a teacher identify me and I got involved in distributive education or better known as DECA. It was in another State, but that program existed where the teacher identified some talents that I had and got me involved in that, and later I not only went to high school but then went on to a little bit of college.

When I first came to Nevada in 1980, I got involved with the school, and that is how I ended up getting on all of these councils. A teacher met me and was a distributive education administrator. At that time, 1980, 1981, there were only six distributive education chapters left in the entire State of Nevada, that was both north and south.

They have created a new program called diversified occupations, which takes the same type of program, where the student goes for 3 or 4 hours of school in the morning and then goes to a job and works for a company in some kind of job. It is very difficult getting those programs into the schools. One of the things that happened, and I blame business for this to a degree, 4 years ago, and you have served in the State legislatures, you have heard business pounding on the tables saying we want more reading, writing, and arithmetic, we want more hours, we want you to teach the students that. What the legislators heard, what the school boards have heard, was that we want them to teach more of it.

So what they did was they created more credit requirements to get out of school. More English, more math. So the school board reacted and said that is what the business community wants us to do. It has become more difficult. We are actually increasing our drop-out rate, because now the students will not take those kinds of programs you are talking about because they are elective programs and they have to meet certain needs.

So what Clark County has done, and I do commend them for that, they, with the State Board of Education, have approved some of the courses to be alternatives, such as business communications being a credit for English, and that sort of thing. But we have attempted to do the type of programs that you are talking about, and they do exist throughout the State now and they are growing a little bit. Bill, you might be able to respond how much they are growing. But it has been an evolution that has occurred.

Mr. BILBRAY. You are saying it should be encouraged though and should move at a lot faster pace.

Mr. WEIR. I made a presentation once before the State Board of Education and I had a superintendent of schools get up and say that if we instituted that program if would be difficult. I would tell

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you, Congressman, and I would tell the school board, life is a bitch. One of the things that occurs is that it does not move fast enough.

Computer systems, by the time a school gets a program into their school, it is antiquated. They say we cannot spend the money, trust me in business we have to spend the money. We have to be able to react to those decisions. I was talking to Jan, I looked at the curriculum review, if you want to dance to the curriculum review, it requires 20 different steps to change an outdated curriculum in the Clark County school district. Nowhere does it ask for school board input nor business input. But yet they are listening to the business community.

Mr. BILBRAY. Thank you.

Mr. TRABERT. I might respond to that from two avenues. First of all, the research I referred to earlier, that the type of program we were describing, students in a real work setting and also in school. It has positive impact, only if the school experience, when they are in the classroom, is related to the occupation that they are employed in.

If you have a program where students are in an occupation but there is no basic skills, applied basic skills, related to that occupation, the connection is not as successful and the students that, cohort, still continue to dropout or have problems. One thing we must remember too, that if you have a cooperative education program you need to have a coordinator to keep business and teacher communicating.

If that coordinator has over 100 students and 100 businesses to visit it cannot be done with any degree of effectiveness. There has to be an adequate teacher-pupil ratio on it. From another angle, we must remember that a person is going to change occupations five, six, seven times during their lifetime. So the high schools and their occupational programs must teach broad transferable skills.

That is what our program should change to, more applied math, applied science, related to something motivational, something real in the work world but with emphasis on the applied math and science. Because when the student gets those skills, they will be able to adapt to new processes and technological changes in the workplace so that they can move from one job to another, as will most assuredly happen to them. So I would not want to lock students into a particular OC-ED training program but to broaden that program with a lot of application in math and science to different technologies that are currently existing in the world of work.

Mr. BILBRAY. You know I can agree with you to a limited extent because you have a certain amount of students that would fall into that category. But you also have this large group that is not going to stay within the program that you are proposing.

I have been 4 years in Congress, but when I was there we were spending what, $2,000 per student is what we were allocating, $2,100.

Mr. TRABERT. Yes, sir.

Mr. BILBRAY. It is what now, probably $2,300.

Mr. TRABERT. It is now $3,100.

Mr. BILBRAY. It takes $3,100 per student. If a company like Kidd Marshmallow says, listen we will take 10 students every year that we will allow to work here, we will pay them, some program like

Mr. Weir has where we are taking them in maybe not at even $4.25, maybe at $3 an hour and they are paid the difference through some job training program. The student can work in that program, you are now taking 10 students out of the classroom, for $30,000, is basically what would be paid to the school district for teaching them. But they will still be there, you will be getting the $30,000.

If you had 10 at Kidd Marshmallow and 10 over at another company and 10 at another, you would have $90,000 in State funds and local funds to educate that student, that you would not be able to hire a supervisor to watch those 30 students and work with them. In the first 2 years if they enter a program like that, they would have to have some basic courses. They would have to have basic English.

Maybe, and I am on the Arts Committee and the Arts Caucus back in Washington, and I think the arts are important. I enjoyed back in high school, reading Hamlet and Julius Caesar, and so forth, but then a lot of these young people feel it is a waste of time, that it does not prepare them for what they are going to do in life. The fact is that maybe there should be a basic conversational English. Maybe there should be a basic—like when I took chemistry in college, I took college for arts and science majors.

I did not take chemistry 101 and 102 that was geared for a person that was going to be in that area. Maybe there should be a whole different curriculum within Chaparral High or Valley High or so forth that for 1 year or 2 years they get the basic skills they need to compete in society. Then they go to Kidd Marshmallow and if you went to Mr. Kidd and said, listen, would you take 10 students a year? You put them in a special program, we will have a high school supervisor that will check them out and they will learn the basic skills.

We do not want them to be somebody that is just throwing cardboard or something but to be able to prepare them so that even if they do not stay with Kidd Marshmallow, 2 years down the line when they get this specialized degree that might be called a vocational, educational degree after 4 years, that they can go out in the workforce and survive and meet that 85 percent requirement that you showed us on the chart.

We are going to lose them. Like Mr. Weir said you have the new educational requirements in there and you are going to lose more and more. We are going to be up to 40, 50 percent dropouts. So, do you have any ideas, Jan?

Ms. BIGGERSTAFF. I would like to say something. If we had them with a basic program at Chaparral and then put them into Kidd Marshmallow—now I am a small business, and I know what areas of education I would offer a student and it would be very limited, because that is where I am at. So if you put a student, say basic for 2 years and then put them in Kidd Marshmallow or my place for the remaining 2 years for an education, I would not be educating them for broad work, I would have them working. I could not afford to give them a broad education because what I would use them for would be a specific purpose.

So I think that in conjunction with school and Kidd Marshmallow, because they would be learning the work ethic and they would

be learning certain skills, but obviously not a wide range of education that they would receive from the high school, I think we need to expand those programs in our schools themselves.

Another thing that I believe that we need to encourage businesses is to request a transcript from students when they apply for a job. A transcript will enable them to check their grades and their attendance so they can see what background they have. If a student knows that their transcript is important to get a job they are going to be a little more concerned about what is going on in their school life for them.

Mr. BILBRAY. So, a student has to sign a waiver to get the transcript?

Ms. BIGGERSTAFF. They bring their transcript with them as they apply for the job.

Mr. BILBRAY. So what you are saying is, I am asking this because down the line to small businesses, I would like to communicate with them and say, listen, one of the things the school district recommends is that you ask for a transcript.

Ms. BIGGERSTAFF. Right.

Mr. BILBRAY. That would show not only their grades, but would also show on the transcript their amount of absences that they have per year.

Ms. BIGGERSTAFF. If students know that that is going to be required of them, they are going to be a little more attentive of their attendance at school.

Mr. BILBRAY. That is a good point. Mr. Sisisky.

Chairman SISISKY. What makes America great, I never liked Hamlet and I do not like broccoli either.

Ms. BIGGERSTAFF. May I ask one thing? How do we determine what is a dropout? My concern is I do not think we have a proper way of tracking a student across State, across country. I would like to see instead of using a student ID number that we use a social security number, every child has to have a social security number now.

If we had a social security number required when they register, we could track whether they are now in California or whether they are in Reno, and maybe they are not a dropout. Maybe they have gone back to adult education or some other type of education.

Chairman SISISKY. As long as we do not have a national identification card, I get a lot of mail on that.

Mr. BILBRAY. I think that is what we have already though.

Ms. BIGGERSTAFF. We already have it, with social security, it is required.

Chairman SISISKY. Something maybe that we can do. Mr. Weir you talked about the Carl Perkins Act and you are on the council. You said that there is something in the law that allows input in there, but is it that nobody pays attention or the mechanism is not there. Explain that to me because maybe we can do something about that.

Mr. WEIR. When the Carl Perkins Act was created it said you are going to create all of these great inputs. Then there is no progress, there is nothing associated that carries it forward. The Clark County School District has been very innovative. They did this long

before there was any Carl Perkins Act in existence, we had task committees.

To give you an example, Congressman, the Occupational Education Committee for Occupational Excellence created this little thing called achievement and they present it to the student that completes a certain kind of course, it was developed by business and industry, Mr. Al Waters is here, it shows the competencies. So the student receives these rated on special competencies, it is certified and it is given to the student to carry out to the employer and say here, this particular one has to do with computer electronics, computer technology.

I serve on the office of Business and Education Task Committee and I was talking to the Clark County school teachers, and they never had seen this. It never had been given to the teacher. The business community has created it, we have given the opinions, the State has printed it, but it does not get anywhere. It stops. I was the charter chairman of the Clark County Occupational Education Council. We made all sorts of recommendations. We had big meetings. I used to listen to Ward Gubler talk a lot, as I am sure Congressman Bilbray has, for hours. But they never go anywhere.

So if you want to create something in the Carl Perkins Act, there is two things that happen. The JTPA has the same problem. You give business and industry, you ask them the questions and you create the boards, but then they do not have any authority or you do not specify the role of the elected officials. I can take the JTPA Act and show you all that the Private Industry Council is supposed to do, but then it says that you will work with local elected officials. Only if the local elected officials will let you, because they say they have the fiduciary responsibility.

Same thing true of Carl Perkins. The school board comes back between administration, as Jan and I have talked about, they do not get the information.

Ms. BIGGERSTAFF. We are going to go to lunch and find out what we are supposed to be doing.

Mr. WEIR. But all of these things exist. The act created it, but they did not give anything, that specified what is to be done with it. Does that answer your question?

Chairman SISISKY. To a degree.

Mr. TRABERT. If I might also respond to that. The Carl Perkins Act did put in place that there would be a State committee for business, industry, and labor without educators on it, who would declare the duties, tasks, and performance levels for every task or duty to be incorporated in each of the occupational programs. Whether it be refrigeration, clerical, or culinary arts. In Nevada we determined that ought to occur at the local level. That there ought not to be a State curriculum.

So we required anyone who participated in Clark County School District, in Carl Perkins, to set up such committee for refrigeration, another committee for culinary arts, as well as all other programs, to declare those duties and tasks. When we provided this as an example from which that group would work. But with business and industry support this is now put into State law, into regulation governing all schools, so that by 1992 every occupational program will have such a certificate for every student exiting the program,

to be carried to business and industry to demonstrate what that student can do. Visibility of the product and accountability. Then we get feedback from the employer as to what is working and is not working in order to upgrade the program.

Chairman SISISKY. Why 1992, may I ask?

Mr. TRABERT. That gives districts 2 years to gear up for that. It is going to cost money for this to be administered at the local level and we are seeking such funds from the State legislature, but not a good deal of money.

It takes a great deal of staff time to work with those business communities to work up one of these folders to the degree it should be worked up and maintained.

Chairman SISISKY. Mr. Weir, just one more question, and I hate to be picking on you.

Mr. WEIR. No; that is fine, I love it.

Chairman SISISKY. I am picking on you because I really want to know what you meant here; that if people, not programs or big time-corporations are given a chance with training and assistance they can be successful and self-sustaining. Now does that mean programs without rules and regulations or—are you suggesting that you do not have a whole layer of bureaucracy at Federal level, State level, and local level, what does it come down to?

Mr. WEIR. That is exactly what I am saying, and a prime example I can give you is the local level.

In the Private Industry Council and Job Training Board, who are chief elected officials. We are given the responsibility of creating a plan when we are going to institute a program, with whatever dollars we have. That program is then submitted to the State Job Training Coordinating Council, in the State Job Training Office, and they approve that plan. Then it is sent to the Department of Labor and the Department of Labor approves that plan.

Then 2 years later the Office of Inspector General comes in and audits that, and says, "Oh, no, you cannot do that, you have to pay all that money back." And then you say, "What the hell did we go through all the approvals for? We told you what we were going to do. Everybody approved it." But then it falls back to the person that started the plan.

So what I am suggesting is that we quit worrying about big corporations and big time things and get down to the nitty-gritty, get the money on the local level and cut our the bureaucracies that are in between. You are absolutely correct.

Chairman SISISKY. I agree with you, I want you to understand that. I just have one final question, which is a summation of what I am hearing today. To your personal knowledge and experience, if you were to ask 100 businessman, small business people, people not men, I have to be careful.

Mr. BIGGERSTAFF. Thank you.

Chairman SISISKY. What would they say is the largest problems they have? Number one and number two, is it what we are talking about today. People. Is it credit?

Mr. TRABERT. Number one, people.

Chairman SISISKY. Government bureaucracy, what would you—Ms. Biggerstaff. You mean as far as education? No; just problems in small business. "Mr. Businessperson, of all the problems you

have in running a small business, what are your biggest problems? Are they credit, are they good people that you could hire, are they Government bureaucracy, taxes, what is your biggest problem"?

Ms. BIGGERSTAFF. Mine, I would say, would be, a top one would be insurance, taxes, and people.

Mr. WEIR. I am in the service business and most of my clients are service business, and employees are the biggest problem because employees are the product. The home office runs with five secretaries. We cannot hire people, because it is entry level, that know how to proofread, that know how to type.

The community college here decided that it was cost prohibitive to keep running their typing lab. We sent all of our employees to their typing lab. We then went out and bought our own computer program, so we now put on our own typing lab with our few employees. We bought the program, put it in, and they work after hours. We pay them to be there to work and go through the typing. The biggest, the number one problem in the service industry is employees because they are the product.

Chairman SISISKY. Thank you.

Mr. BILBRAY. Thank you. I appreciate you coming here for this hearing and I think the chairman and myself have gained a lot of insights here. As these hearings progress around the country, I think we will get more and more insight. Hopefully, we will be able to help you down the line with recommendations to Congress on how to improve the situation, so we can correct this problem, because I agree with you, I think that from what the figures I saw from Mr. Trabert, that the job demand and what the skilled workers are available is appalling. It is one that is going to put us right down the mine shaft when it comes to competing with Europe after 1992, and the Far East.

I am really concerned that we are losing the battle, but we can win it. We certainly have the ability to win it. So again I would like to thank you for all coming and the audience here, and hopefully within the next year or two we will get some conclusions and hopefully some good ones that we can recommend back to you and make our reports available to you on what we found out, what we are recommending to Congress. Thank you.

[Whereupon at 12:20 p.m., the subcommittee adjourned subject to the call of the Chair.]

APPENDIX

MAJORITY MEMBERS
NORMAN S. [illegible]KY, VIRGINIA
CHAIRMAN
RICHARD RAY, GEORGIA
PETER HOAGLAND, NEBRASKA
ROMANO L. MAZZOLI, KENTUCKY
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101st Congress

United States House of Representatives

Committee on Small Business

Subcommittee on Exports, Tax Policy, and Special Problems

B-363 Rayburn House Office Building

Washington, DC 20515

EDUCATION FOR TOMORROW'S WORKFORCE

NORMAN SISISKY
CHAIRMAN
SUBCOMMITTEE ON EXPORT, TAX POLICY, AND SPECIAL PROBLEMS
June 8, 1990

THE SUBCOMMITTEE WILL COME TO ORDER. GOOD MORNING LADIES AND GENTLEMEN. MY NAME IS NORMAN SISISKY. I AM CHAIRMAN OF THE SMALL BUSINESS SUBCOMMITTEE ON EXPORTS, TAX POLICY AND SPECIAL PROBLEMS, AND I HAVE THE PLEASURE OF REPRESENTING THE 4TH DISTRICT OF VIRGINIA IN THE U.S. HOUSE OF REPRESENTATIVES.

IT IS A PLEASURE TO BE IN LAS VEGAS TODAY -- I APPRECIATE THE SUNSHINE AND WARMTH. I AM HERE AT THE REQUEST OF YOUR CONGRESSMAN, JAMES BILBRAY, AND I AM THANKFUL FOR HIS HOSPITALITY. I ALSO APPRECIATE THE ENTHUSIASTIC SUPPORT OF BRENT HEBERLEE, OF CONGRESSMAN BILBRAY'S STAFF. HE HAS GIVEN THE SUBCOMMITTEE INVALUABLE ASSISTANCE IN PUTTING THIS HEARING TOGETHER.

I HAVE THE HONOR OF SERVING IN CONGRESS WITH MR. BILBRAY BOTH ON THE SMALL BUSINESS COMMITTEE AND ON THE ARMED SERVICES COMMITTEE. WE WORK CLOSELY TOGETHER ON THESE COMMITTEES, AND I CAN TELL YOU THAT YOU ARE FORTUNATE TO HAVE SUCH AN EFFECTIVE, HARD WORKING REPRESENTATIVE IN CONGRESS.

WE ARE HERE TODAY TO TALK ABOUT THE EDUCATION OF AMERICA'S WORKFORCE. AN EDUCATED WORKFORCE IS ESSENTIAL IF WE ARE TO CONTINUE BUILDING ECONOMIC PROSPERITY IN THIS COUNTRY.

MY GOOD FRIEND JIM BILBRAY ASKED FOR THIS HEARING BECAUSE THE BUSINESSES IN LAS VEGAS ARE BRANCHING OUT INTO NEW AND INNOVATIVE TECHNOLOGIES -- LIKE THOSE IN MANY CITIES ACROSS AMERICA. TO KEEP THE HIGH-TECH BOOM ALIVE, COMPANIES WILL REQUIRE WELL EDUCATED AND PREPARED WORKERS IF THEY ARE TO PROSPER.

JIM CONVINCED ME THAT THE ISSUES WE WILL DISCUSS THIS MORNING ARE NOT MERELY EDUCATIONAL ISSUES, THEY ARE BUSINESS ISSUES. MORE IMPORTANTLY, THEY ARE SMALL BUSINESS ISSUES, BECAUSE SMALL BUSINESSES FACE INCREASINGLY STIFF COMPETITION FOR THE FEW QUALIFIED WORKERS AVAILABLE. WE, AS MEMBERS OF THE SMALL BUSINESS COMMITTEE, MUST LOOK TO WAYS TO IMPROVE THE POOL OF EDUCATED AND QUALIFIED EMPLOYEES.

AMERICAN SMALL BUSINESS IS FACING A POTENTIAL CRISIS AS SEVERE AS ANY IN OUR NATION'S HISTORY. WITHOUT WORKERS CAPABLE OF MEETING THE TECHNOLOGICAL DEMANDS OF THE MODERN WORK PLACE, AMERICAN BUSINESS WILL BE UNABLE TO FULLY COMPETE IN THE GLOBAL MARKET.

THE AMERICAN EDUCATION SYSTEM IS FAILING TO FULLY PREPARE OUR YOUNG PEOPLE TO TAKE THEIR PLACE IN THE JOB FORCE. THIS FAILURE IS CRIPPLING OUR NATION'S ECONOMIC POTENTIAL, UNDERMINING BOTH COMMUNITY AND FAMILY LIFE AND PUTTING U.S. BUSINESSES AT A DISTINCT DISADVANTAGE.

THE PROBLEM OF COMPETITION CONFRONTING AMERICAN EDUCATION PARALLELS THAT CONFRONTING AMERICAN BUSINESS. BOTH MUST QUICKLY ADAPT TO THE CHANGING DEMANDS OF THE MARKETPLACE. BOTH MUST CHANGE AS THE DEMAND CHANGES.

OUR EDUCATIONAL INSTITUTIONS, LIKE OUR NATION'S BUSINESSES, MUST EMPHASIZE TRAINING, VOCATIONAL AND TECHNICAL EDUCATION, AS WELL AS THE DEVELOPMENT OF OUR HUMAN RESOURCES. UNLESS DRAMATIC CHANGES WITHIN THE EDUCATIONAL SYSTEM OCCUR QUICKLY, TOMORROW'S GRADUATES WILL NOT BE PREPARED TO MEET THEIR EMPLOYERS' NEEDS.

ACCORDING TO THE U.S. CHAMBER OF COMMERCE, AMERICAN BUSINESSES, PARTICULARLY SMALL BUSINESS, ARE INCREASINGLY CONCERNED THAT PUBLIC EDUCATION IN THE UNITED STATES IS TURNING OUT UNQUALIFIED -- AND IN MANY CASES, UN-TRAINABLE -- STUDENTS. STUDENTS WHO CANNOT READ OR UNDERSTAND SIMPLE INSTRUCTIONS. STUDENTS WHO CAN'T ADD OR SUBTRACT. STUDENTS WHO ARE NOT PREPARED FOR THE SIMPLEST EMPLOYMENT.

IN MANY INSTANCES, THE MATH SKILLS OF OUR HIGH SCHOOL GRADUATES ARE AT SIXTH GRADE LEVELS. A NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS FOUND THAT NEARLY 60% OF TODAY'S 17 YEAR OLDS LACK THE BASIC READING SKILLS NECESSARY TO COMPREHEND THE WRITTEN MATERIALS USED IN BUSINESS AND HIGHER EDUCATION. THAT FIGURE IS VIRTUALLY UNCHANGED SINCE 1984.

THE IMMEDIATE EFFECTS OF THIS CRISIS IN EDUCATION IS THAT THERE ARE GROWING NUMBERS OF UNEMPLOYABLE WORKERS WHILE AT THE SAME TIME THERE IS A SHORTAGE OF QUALIFIED APPLICANTS FOR TECHNICAL JOBS.

TEST SCORES AND EMPLOYEE PERFORMANCE TELL US THAT THE EDUCATIONAL REFORMS OF THE 1980'S HAVE DONE LITTLE TO IMPROVE THE READING, WRITING AND MATHEMATICS SKILLS OF AMERICAN SCHOOL CHILDREN.

WHILE PER-PUPIL SPENDING ROSE FROM $3,500 IN 1980 TO $4,200 IN 1987, -- STUDENT ACHIEVEMENT STAGNATED.

MY CONCERN, AS CHAIRMAN OF THIS EXPORT SUBCOMMITTEE, AND OUR REASON FOR BEING HERE IN LAS VEGAS TODAY, IS THAT STATISTICS SHOW AMERICA LAGGING BEHIND OTHER FOREIGN INDUSTRIALIZED NATIONS IN EDUCATIONAL ACHIEVEMENT.

FOR EXAMPLE:

-- THE TOP 5% OF AMERICA'S STUDENTS SCORE AT THE LEVEL OF THE AVERAGE JAPANESE STUDENT;

-- ONLY 5% OF 17 YEAR OLDS CAN WRITE A GOOD LETTER;

-- ONLY 5% CAN SUCCESSFULLY INTERPRET A BUS OR AIRLINE SCHEDULE.

THE IMPLICATION OF STATISTICS SUCH AS THESE IS STAGGERING.

TODAY -- NOT AT SOME TIME IN THE FUTURE -- OUR NATION MUST EDUCATE ALL OF ITS CHILDREN TO BE CRITICAL THINKERS. THIS NATION CAN NO LONGER AFFORD TO "THROW AWAY" THE 25% OF OUR CHILDREN WHO DROP OUT OF SCHOOL EACH YEAR. NOR CAN WE WRITE-OFF AN ADDITIONAL 50% WHO ARE UNABLE TO FUNCTION FULLY AS CITIZENS OR WORKERS MUCH LESS COMPETE WITH STUDENTS FROM OTHER COUNTRIES.

THE FACT IS THAT EVEN OUR TOP 25% - THOSE STUDENTS WE CITE WITH PRIDE - ARE NOT AS WELL EDUCATED AS THE WORKERS THEY MUST COMPETE WITH IN THE WORLD MARKET.

NORMAN SISISKY, VIRGINIA
CHAIRMAN

101st Congress

United States House of Representatives

Committee on Small Business

Subcommittee on Exports, Tax Policy, and Special Problems

B-363 Rayburn House Office Building

Washington, DC 20515

June 8, 1990

Congressman Norman Sisisky,
Congressman James Bilbray

INTRODUCTION

American business is facing a potential crisis as severe as any in our nation's history. Without workers capable of meeting the technological demands of the modern work place, American business will be unable to compete in the global market.

According to the U.S. Chamber of Commerce, small businesses are increasingly concerned that public education is turning out unqualified students. They cannot read or understand simple instructions, nor can they add or subtract. Often they cannot function in the most basic jobs.

In many instances, a high school graduate's math skills are at a sixth grade level. A national assessment of educational progress documents that nearly 60% of the 17 year old students lack basic reading and writing skills. Unfortunately, there is a growing number of unemployable workers while there is a shortage of applicants for increasingly technical jobs.

Test scores and graduate performance tests tell us the educational reforms of the 1980's have done little to improve the reading, writing and computational skills of U.S. schoolchildren. While per-pupil spending rose from $3,500 in 1980 to $4,200 in 1987 (adjusted to 1987 dollars), student achievement remained the **same**.

International measurements show that the top 5% of U.S. students score at the same level as an average Japanese student. Only 5% of the U.S. students can write a good letter or successfully interpret a bus or airline schedule.

Historically

Since the 1960's three broad policy goals of the Federal Government have emerged in education:

1. to ensure students have access to an appropriate public education despite any social or economic disadvantages or physical or mental handicaps;
2. to advance knowledge through support for research, development, and technical assistance;
3. to help build the instructional and fiscal capacities of educational facilities.

Recently, these goals have been threatened by high rates of educational failure, declining minority enrollment in higher education, high unemployment and underemployment of high school graduates, declining investment in research, and the relatively poor standing of American students among their international counterparts.

1990

A NATION AT RISK: THE IMPERATIVE FOR EDUCATIONAL REFORM and similar reports sets an agenda of education reform for the United States. Additionally, on April 6, 1990, Elizabeth Dole announced that Bill Brock is chairman of a new commission charged with defining the basic skills which American workers will need to close the gap between educational achievement and work place requirements.

Local school districts have responded to the problem in various ways, but new issues concerning overall educational quality, teacher certification, salaries, and school choice have renewed the debate over the Federal role in education reform and the need for other national responses.

BACKGROUND

In October of 1989, President Bush and the nation's governors walked away from an educational summit with an unprecedented agreement to establish national performance goals and to engineer a radical restructuring of America's education system.

The joint statement released at the close of the summit stated that the focus of the goals is on ensuring that all young children are ready to start school; improving American students' performance in international assessments; reducing dropout rates; increasing adult literacy; ensuring a supply of qualified teachers by improving training and their working environment; ensuring that workers are trained for today's high-tech jobs and establishing safe, drug-free schools.

In addition to beginning a goal-setting process, the conferences also agreed to launch several specific initiatives.

These initiatives included:

1. Changing federal laws and regulations to give state agencies and school districts greater latitude in their use of federal education funds in exchange for commitments to meet performance standards (A similar effort will occur at the state level);

2. Pursuing higher funding for federal programs, such as Head Start, that support early-childhood education and the health of disadvantaged children;

3. Working toward "restructuring" schools by moving more authority to the local school level, toughening curriculum requirements, promoting parental and community involvement, and giving teachers responsibility and flexibility in exchange for accountability for results;

4. Establishing "clear measures of performance" and issue annual report cards measuring performance by students, schools, the states and federal government.

CONTROVERSIES

Some of the initiatives in the joint plan are controversial. Efforts to relax federal regulations, for example, may not be embraced by the Congress that drafted them. Congressional leaders are in favor of better education but efforts by Congressman Peter Smith (R-VT) to push legislation in the education reform area has been received cautiously by the Education and Labor Committee.

Educators fear "deregulation" that could allow school districts to ignore the special populations for whom federal funding was intended. Many legislators and regulators seek to retain substantial powers.

A move to create methods for specific comparisons between schools or states is almost certain to be controversial; as such proposals have been historically. Extended negotiations were necessary to include a trial state-by state survey in the National Assessment of Educational Progress in last years omnibus education law -- the law specifically prohibits district-level comparisons.

These initiatives may also find resistance at the local level where educators are being held to new standards. Decisions on issues such as school structure are made locally, and for the agreement between governors and federal officials to be effective, they must persuade -- or force -- local cooperation.

FEDERAL LEGISLATIVE ISSUES

1. The Carl Perkins Act provides federal funds to state and local governments for the purpose of expanding currently existing vocational education programs and to increase access to vocational education; primarily for socially disadvantaged groups.

2. The Job Training Partnership Act (JTPA) was designed to provide training for economically disadvantaged adults and youths.

FUNDING CONSIDERATIONS

Administration officials have said that they have no plans to dramatically increase federal education spending. Redistribution of existing funds appears to be the order of the day.

The state governors have persuaded Mr. Bush to make at least an indirect promise to increase funding for pre-school education and child-nutrition programs. However, CRS tell us that the Administration has asked for cuts in the school lunch program. Congressional Democrats are not likely to let the President forget his promise to the governors.

CONGRESSMAN ESTEBAN E. TORRES

TESTIMONY BEFORE THE U.S. HOUSE OF REPRESENTATIVES

SMALL BUSINESS

SUBCOMMITTEE ON EXPORTS, TAX POLICY

AND SPECIAL PROBLEMS

UNIVERSITY OF LAS VEGAS NEVADA

JUNE 8, 1990

Mr. Chairman, Mr. Bilbray and distinguished guests and citizens of Las Vegas, I deeply regret being unable to be here with you today. However, I think this issue is important enough to me and the Subcommittee on Environment and Labor that I wanted to share with you my thoughts on this matter, so that we can continue to work together on finding solutions to educating tomorrow's workforce.

America is facing a tremendous dilemma, how can we remain competitive in a global economy if we can't teach Johnny to read, write, and compute. I concur with my colleagues, that education is the key to being competitive in the world market place.

Today our workforce is changing drastically. It is becoming ethnically diverse, and more women are entering the workforce. We must insure that all of our citizens are afforded the opportunity to have equal access to institutions of higher learning that will enable us, as a country, to compete together and effectively in the global economy.

In conclusion, institutions of higher learning such as the University of Las Vegas, Nevada offer small business a unique environment to create, develop, and market new products. Therefore I hope the witnesses today will offer insights on how small businesses and institutions of higher learning can work together in developing a workforce that can compete in a global economy.

OPENING STATEMENT
OF THE HONORABLE JAMES H. BILBRAY
BEFORE THE SMALL BUSINESS SUBCOMMITTEE
ON EXPORTS, TAX POLICY, AND SPECIAL PROBLEMS
June 8, 1990
Las Vegas, Nevada

I would first like to welcome all of you here today. I would also like to welcome my good friend and colleague Congressman Norm Sisisky, Chairman of the House Subcommittee on Exports, Tax Policy, and Special Problems. I have had the pleasure of serving with Congressman Sisisky on the Small Business Committee for the past three years as well as on the Armed Services Committee this past year. I would like to thank him personally for coming out to Las Vegas to hear from some of our local business and education experts. I would also like to thank Diane Worthington, the Subcommittee's Staff Director, for her expertise and involvement in setting up this hearing.

I requested today's hearing because of the growing concerns I have heard both on the local and national level regarding the future of our nation's workforce. It is becoming increasingly apparent that as work becomes more knowledge-intensive,

employers are fishing in a shrinking labor pool. The disturbing question that confronts us today, then, is who will do America's work as the demand for skilled labor outstrips a dwindling supply?

It is no cliche to say an educated workforce is the foundation of the future economy. Unfortunately, the future is here, and we are not ready. Businesses are experiencing a mismatch between jobs available and people available to fill them. By comparison with our competitor nations, the American workforce now coming on line is seriously underprepared to be the foundation of a prosperous future.

The impacts of educational failure in Las Vegas are essentially no different than those in other communities across the nation. In order for our community to diversify its economic base, local businesses and industry must have adaptive and technically proficient workers who know how to learn on the job. The success and expansion of business and industry in the Las Vegas Valley will depend greatly on the educational foundations which students in our schools receive.

I remember reading an article recently in one of our local newspapers which stated that nearly 25% of Nevada's youth will drop out of school before they finish high school. That figure is appalling to me, and it suggests that our educational system, while not shouldering all of the blame, must accept some of the responsibility for this failure. Clearly, there are other factors contributing to educational failure. The February, 1988, edition of Time Magazine compared the top seven disciplinary problems of schools today with the rankings of problems identified 40 years ago:

1940	1980
* Talking	* Drug abuse
* Chewing gum	* Alcohol abuse
* Making noise	* Pregnancy
* Running in the hallways	* Suicide
* Getting out of place in line	* Rape
* Wearing improper clothing	* Robbery
* Not putting paper in wastebaskets	* Assault

Educational reform is certainly necessary if our educational system is going to turn out qualified,

trainable workers. Nationally, one million young people drop out of high school every year. Rates approach 50% in some inner cities. Of the 2.4 million who graduate, as many as 25% cannot read or write at the eighth-grade, or "functionally literate," level. Most 17-year-olds in school cannot summarize a newspaper article, write a good letter requesting a job, solve real-life math problems, or follow a bus schedule.

In addition, there are tremendous demographic changes taking place in the workforce. For example, white males now make up 47% of the workforce, but in 10 years they will be only 15% of the net new workers. 17% of the labor force is now made up of minorities and immigrants; in 10 years those groups will comprise 42% of net new workers entering the labor force. Our schools have performed poorly for minorities and immigrants -- the very groups on whom we must depend for a productive workforce.

Today's hearing will look at how both the business and education communities are working to deal with the problems of an uneducated workforce. Business-Education partnership programs will be discussed, as well as federal legislative efforts to address the education and job training problems facing our country. I look forward to hearing from our distinguished witnesses today in the hopes that we can learn from them how the federal government can better develop our nation's human capital.

June 8, 1990

Marino Zara
Co-owner, Paca Knitwear
(Hi-fashion ladies apparel)
Chairman, Governers Small Business Council
Member of the State Council on Occupational Education

Small business needs are very basic. We need workers who understand the value of time; who feel pride in quality workmanship and workers who understand work ethics. We need our employees to understand how time management can seriously affect a business. They find it difficult to put a dollar value on every minute spent going for coffee, chatting with other employees, personal phone calls etc., and yet at the end of the day we have not gotten eight hours of work.

Major corporations can utilize the "practical standard;" which allows for down time, errors and mediocricy in the work force. Whereas, a small business does not have that option. Small businesses must work much closer to the "ideal standard;" 100% effort, accuracy, efficiency and a desire for quality.

I, as a small businessman loose money any time a package is returned. And they are returned for any number of reasons; an error in addressing, a garment must be redone because of sloppy work, inadequate packaging or a miscommunication with the customer in regards to syles, colors or sizes. A simple error in a purchase order number can stop the flow of operations.

Granted, these are not large amounts we are talking about, $5.00 here, $10.00 there $3.00 here. However, you add these up at the end of the month and it is painful to see what it does to your net profit. You have to start all over again every month to catch up.

You know how difficult it is to make a sale, how difficult it is to compete with imports; and yet, any one person in the company lacking the necessary skills or producing poor workmanship can waste all of your efforts. I cannot afford to educate my employees to the basic rules of work ethics. I am happy and willing to train, but I need people who know how to learn, who know how to add, who know how to spell, who know how to read, who know how to communicate and who understand the American entrepreneurial system.

My company does some exporting and we realize the potential in the world market. They were great times when America exported large amounts of merchandise MADE IN THE USA. You could walk down the main street of any city in the world and see billboards

large amounts of merchandise MADE IN THE USA. You could walk down the main street of any city in the world and see billboards of many US made products, and many countries still prefer to buy MADE IN THE USA goods, we still have a chance to continue to be a part of the world market, but without the basic education of our workforce and a commitment to quality we will see an end to our export business.

I believe that the basic beginnings of work ethics starts at home. There is where children learn their values. The first beginning of respect for someone older, someone wiser. They learn how to be thrifty, how to be neat, how to be clean, how to be patient and they learn about discipline. These values should begin at home and continue through school.

Schools compete with the very sophisticated marketing world of television. Our kids learn slogans and theme songs from hundreds of TV commercials so easily, but seem to have such a difficult time with schoolwork.

My personal observations are; why do they need three months of summer vacation, why less than six hours a day in school, why is there such a poor discipline attitude in the schools? These are the students that become our workforce. Let's get involved in choosing their curriculum. Why do we not teach them what they need? How to write a resume, how to apply for a job, how to open a bank account, how to apply for a loan, HOW TO VOTE! LET'S TEACH THEM TO WORK!

We cannot wait for changes, we have to start now. In addition to our own problems, Southern Nevada receives an average of four thousand new residents every month. We are dealing with a lack in preparation in the incoming work force as well as our own.

On behalf of the GOVERNORS SMALL BUSINESS COUNCIL we support the Nevada Business Plan for Education and submit the following recommendations of our own Education Committee:

1. Recommend that basic math and reading skills be reviewed every year. Unplug the computers and calculators.

2. Develop a work ethics program with school districts and universities.

3. Bring instructors of occupational education programs into the workplace during the summer hiatus or for brief periods during the year.

4. Consider entrepreneurial education classes at an early age.

I respectfully request your efforts in making the necessary changes now.

TESTIMONY OF
CLARK COUNTY SCHOOL DISTRICT
CONCERNING
PREPARATION OF A QUALIFIED WORKFORCE
BEFORE THE
SUBCOMMITTEE ON EXPORTS, TAX POLICY, AND SPECIAL PROBLEMS
UNITED STATES HOUSE OF REPRESENTATIVES

PRESENTED BY
MRS. JAN BIGGERSTAFF, VICE-PRESIDENT
BOARD OF SCHOOL TRUSTEES
CLARK COUNTY SCHOOL DISTRICT
LAS VEGAS, NEVADA

JUNE 8, 1990

Mr. Chairman, Congressman Bilbray, Members of the Committee, for the record, I am Mrs. Jan Biggerstaff, Vice-President of the Board of School Trustees of the Clark County School District and owner of Graphics 2000, a small printing business operating here in Clark County.

Mr. Chairman, as a small business owner and a policy maker in the nation's 16th largest school district, I take particular interest in the thrust of this committee's work today. In both roles, I am committed to a better-trained entry-level workforce. My business will flounder without a well-prepared workforce, and the Clark County School District will not enjoy the community support so necessary to sustain our dramatic growth without evidence of producing a better-prepared student ready for our workforce.

I am pleased to join my colleagues, Tom Weir, Chairman of the Private Industry Council, and Bill Traebert, Director of Occupational Education of the Nevada Department of Education. Both individuals have played pivotal roles by promoting programs designed to create that better-prepared workforce.

There is much rhetoric in the discussion of workforce preparation. For the sake of clarity, I want to avoid rhetoric and concentrate on some new directions necessary to attain this goal.

- We know that workforce statistics, a topic I believe Mr. Traebert will discuss in detail, clearly point to the need to redesign our curriculum to include the skills necessary to ensure the work preparedness of our graduates regardless of their postsecondary education plans.

- We know that significant advances in workforce preparation are only possible with the help of business. Only collaboration will bring about meaningful change. Role models, such as Tom Weir, have taught us all a valuable lesson in working together to that end.

- We know that meaningful improvement requires serious restructuring of both education and business.

It is to this last point that I wish to address the remainder of my comments.

Mr. Chairman, we, as policy makers, have made some significant accomplishments in restructuring schools, promoting a new and productive relationship with business, and creating new programs to provide a better-trained graduate.

Let me speak to restructuring first:

- We have made a concerted effort to return authority for decision-making to the level closest to production--the school. This is a lesson well-learned from industry. In doing this, we look to the local schools to take on a new spirit of positive competition with each other, openness to self-imposed accountability efforts, and creativity which has long been bottled-up in our schools.

- We must have made bold advances in enriching teacher preparation and we must recommit ourselves to more staff training as a method of improving our output. This also relates to our recent efforts in increasing parent involvement, input, and authority in

schools. We view increasing parent involvement as critical to restructuring efforts.

- We have not been deaf to the suggestions of business. Contrary to popular thought, we have promoted their input. In particular, we are intrigued with the work of the National Alliance of Business. An excerpt of their work on restructuring education has been attached to my written testimony for your review. They suggest that as education restructures so must business change its role from critic to contributor. So you ask, "How else are you going to restructure education?" My response is that we are going to continue to open our doors to public scrutiny and suggestion--this includes an invitation to business. We, in the Clark County School District, have demonstrated this with our strategic plan, frequent community input sessions, and a superintendent who encourages sound, creative ideas.

The discussion of restructuring is complimented by a new brand of school/business relations emerging in our district.

- While we open our doors to the outside in our restructuring efforts, we are also aggressively enlisting business as an active participant in bringing about the solutions to their expressed concerns. There will be no bystanders, only participants. Let me share just three of the many programs demonstrating the brand of participation we seek:

    - School Community Partnerships Program - nearly 300 active partnerships with at least one operational in every school in the district.

Three benefits derived from these partnerships:

- First, children benefit immeasurably from corporate participation. This is best exemplified by the nationally recognized Citicorp-financed - Helping You, Helping Me - where more than 300 high school tutors are able, with corporate support, to tutor, after school hours, more than 2,000 of our elementary school students.

- Second, business fulfills their community investment obligations so necessary to build a positive corporate profile.

- Third, corporate staff and leadership are afforded an inside view of education previously the domain of educators. This creates fertile ground for productive relations between business and education--a relationship long missing between the two.

Continuing with more examples of the growth of school/business relations:

- Joint skills committees have been developed to actively include business in curriculum design--particularly in the occupational education area.

- We have pressed our board and top management into frequent and productive dialogue with the business community. That is, we wish to be a contributing influence with the Chambers, Nevada Development Authority, and PIC. These influences have grown from the similarities between education and business, rather than differences between the two. In fact, we are the biggest single employer in Nevada. We manage nearly 1/2 billion dollars, expend most of it in the local economy, and are in the middle of a most ambitious building program. Yes, we are a major player in the business climate of this community and are, not surprisingly, very much interested in obtaining the best trained workers for our own workforce. We, as an organization, are, in fact, one of the most important customers of our own product. Thanks to your leadership, Congressman Bilbray, we have been the recipient of many excellent employees from your sponsorship of the Job Fair. Thank you for your forward looking approach on this matter.

Finally, I wish to address the new programs designed to better prepare our students for workforce entry.

- We are most encouraged by the efforts of Congress to enact enlightened legislation such as Perkins and JTPA. These programs have changed the image of occupational education and job training from a skills and materials orientation to a knowledge and process orientation. The product of this change has been increased academic orientation for vocational education courses. New courses such as the junior high offering, Introduction to Technology, and its senior high counterpart, Principles of Technology, are prime examples of this trend. I must, though, point out that present federal legislation is very restrictive

with respect to updating the equipment used by our students. We firmly believe the federal government can again play a valuable role in providing state-of-the-art equipment for our schools.

. Through the mechanisms in the legislation and encouragement at the local level, we now have established articulation committees designed to coordinate programs between secondary and postsecondary institutions. Articulation reduces unnecessary and counterproductive duplication while promoting a continuum of services.

The stated examples of our progressive efforts in this regard have brought us a long way toward producing a better-prepared workforce. Despite pressing social problems, such as drug abuse and teen pregnancy, we believe the Clark County School District is well-positioned to be a leader in workforce preparation.

Thank you for allowing my testimony today. I would be pleased to answer your questions.

Education Problems in the Labor Force

Statement of

Bill Trabert
State Director for Occupational and Continuing Education
Nevada Department of Education
Carson City, Nevada

Before the

Committee on Small Business
Subcommittee on Exports, Tax Policy, and Special Problems
United States House of Representatives

June 8, 1990

Las Vegas, Nevada

Introduction

Mr. Chairman, distinguished committee members, ladies and gentlemen, I am pleased to be here today to testify on the topic "Education Problems in the Labor Force." In my position as Director for Occupational and Continuing Education for the State of Nevada, I am responsible to the State Superintendent of Public Instruction, Dr. Eugene Paslov, who is appointed by an elected State Board of Education. The State Board of Education also serves as the State Board for Occupational and Continuing Education. The State Board is the sole agency responsible for the administration of all phases of the program of secondary occupational education in the state, as well as the administration of occupational education programs consistent with state law and the Federal Carl Perkins Vocational Education Act, 1984.

Small Business and Economic Growth

To plan for our nation's economic future and the development of its human resources, the needs of small business must be a vital component of economic policy.

The good news is that we know that most new jobs are created by small business. In fact one study reports:

> **88% of all new jobs in America are created by companies with 20 employees or fewer.**
>
> **Most local employment growth occurs through the birth of "new" firms or the expansion of existing industry.**
>
> **Small business employs almost half of all U.S. workers.**
>
> **Small business produces 2.5 times as many innovations (products, services, techniques) as do larger businesses.**

The bad news is:

3/4 of all small businesses close within two to five years.

60% of small business closures in the first five years are due to a lack of management skills and poor worker productivity.

The message education hears from business at large has been, send us an educated worker, one who is skilled in the academics, an independent thinker, a person who exhibits work ethics and cooperative behaviors, and they, business, will do the job training.

The problem is that small business entrepreneurs do not have the time, nor the resources to both educate and train the products of education, graduates as well as dropouts, once they are employed. Education is simply not meeting the real needs of business for an educated and productive worker in today's technology based economic age.

The Skills Gap

From the Wall Street Journal: "Reports on Education"
Friday, February 9, 1990

The Knowledge Gap: Smarter Jobs, Dumber Workers. Is that America's Future?

Jobs are becoming more demanding, more complex. But our schools don't seem up to the task. They are producing students who lack the skills that business so desperately needs to compete in today's global economy; And in doing so, they are condemning students to a life devoid of meaningful employment.

Better corporate retraining may serve as a stopgap, but ultimately the burden of change rests with our schools. While debate rages about how change should come, almost everybody agrees that something has to be done.

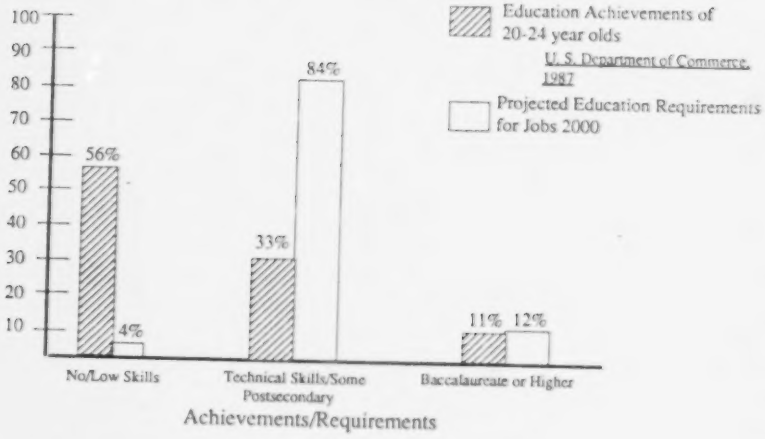
And quickly.

Certainly our nation is at the crossroads of massive changes and challenges. Effective education has a direct impact on the nation's economic growth, diversification and competitiveness. Equally important, effective education has a direct impact on the ability of people, youth and adults, to adequately participate in the economy.

The skills gap noted by the Wall Street Journal is vividly demonstrated in the following chart:

Why Business And Education Seek Change

The Skills Gap



Student Achievement

56% of 20-24 year olds have no or low skills.

33% of 20-24 year olds have acquired technical skills and some postsecondary technical skill training.

11% of 20-24 year olds have achieved a baccalaureate or higher degree.

Job Requirements

4% of all jobs require no or low skills.

84% of all jobs require technical skills and some postsecondary technical training.

12% of all jobs require a baccalaureate or higher degree.

The Educational Goals of Students Have Little Relevance to the Courses They Take in High School and Their Postsecondary Plans.

Although a majority of the nation's 8th graders have high education aspirations, few are planning to enter high-school programs that will lead them to realize their goals. In one study, two-thirds planned to finish college or attain high degrees, yet only one-third planned to enroll in a college preparatory program in high school.

Half of all sophomores in the study take general-education courses, yet they have career goals that require a college degree and a college preparatory program.

47% of the students had at least one of the predominate factors commonly used to assign children "at-risk" status.

National Education Longitudinal Study, 1988

5

Factors Contributing to the Skills Gap

For me, the chart illustrates all too well that "most people aim at nothing in life and hit it with amazing accuracy."

Other factors that contribute to the skills gap, and will continue to do so if there are not dramatic changes made in education, include:

School Dropouts

The nation's dropout rate is reported to be between 25% and 30%.

In Nevada, 4,780 students are reported to have dropped out of school during 1989. This means that almost one out of ten (9.5%) students left school last term.

9th grade dropout rate 4.9%	=	627 students	12,463 students enrolled
10th grade dropout rate 8.5%	=	1,077 students	12,454 students enrolled
11th grade dropout rate 11.7%	=	1,459 students	12,199 students enrolled
12th grade dropout rate 13.1%	=	1,617 students	11,919 students enrolled
Total	=	4,780 students	49,032 students enrolled

The cost to Nevada of these 4,780 dropouts, based on conservative estimates, is $124,000,000 (lifetime).

Nearly 13% of all seventeen year old persons still enrolled in school are functionally illiterate and 44% are marginally literate.

In other words, **the good news** is that the job market will be "wide open" to young people in the 1990's. **The bad news** is that without a high school diploma, without some postsecondary education or training and good employability and work maturity skills, the jobs of the 90's will be low skilled and low-paying or nonexistent for those who do not have a high school diploma. The cost to society for those who do not participate in the economy will be enormous.

Emerging Work Force

Exacerbating the problem and solution is the composition of the emerging work force.

By the year 2000, 80% of the new entrants to the work force, including individuals who are in school today, will be women, minorities, and immigrants. Of the new workers entering the labor force, 15 percent will be white males, a drop from 47% (1985), and the remainder will be either white women, members of minority groups or immigrants. These are the very groups that do not participate in, nor experience success in math and science programs.

Youth and Adults At-Risk

These at-risk issues regarding the skills gap, dropout rate and emerging work force become even more overwhelming when one considers other significant factors affecting the quality and productivity of the nation's work force.

These include:

Single Parents
Poverty
Literacy, and
Immigration

Nevada Initiatives

The current Carl Perkins Vocational Education Act, 1984, provided Nevada with the resources to develop new strategies and programs to address these needs.

The Committee for Economic Development, in their report entitled "Investing In Our Children," said it well when they advised the nation in 1985 that:
(Quote)

Business needs broadly educated employees who have learned how to learn and who can adapt to the changing conditions of the workplace. The mission of occupational education needs to be redefined and the entire occupational education system overhauled. While the states must refrain from excessive regulation, centralization and control of the schools, they should set standards and monitor achievement.

The heart of the message is to "restructure occupational education" to "set standards" and to "monitor achievement."

The schools are challenged. We all are challenged. New and restructured occupational education programs must assure the community that students will exit our schools with:

Problem-solving and decision making skills
Resource management skills
Knowledge of the systems of computers and technology
Understanding the economics of work
Applied math and science to the technologies of work
Career and personal planning skills, and
Interpersonal skills.

Traditional Vocational Education Programs

In the last decade Nevada vocational education programs have been considerably reduced:

Grades 7 & 8		
	Industrial Arts Teachers/Courses	46% decline
Grades 9 - 12		
	Introductory and Job-Specific Occupational Education Teachers/Courses	35% decline

A number of factors have contributed to the removal of occupational education programs from the middle and high school program. I believe that foremost among these factors is that:

> Current traditional programs are not relevant to the needs of business, nor are they perceived as relevant to student interest. Relevance is the key. But student interest would be significant if they saw themselves in high-tech jobs in the future.

Obviously, traditional vocational education programs, born in the industrial revolution, are not meeting the needs of the third economic era--which emerged in the early 1980's--and in which both business and students must compete.

In addition, parental and community attitude towards traditional vocational education, and student interest are real issues that must be addressed through the promotion of new and relevant programs.

However, it is most important that education maintain the successful instructional delivery system fostered in vocational education. Vocational education has always provided students with hands-on learning, the application of theory, math, science and communication skills, to the requirements of work. In fact, academic education has learned from vocational education the importance of hands-on, applied learning, which engages, involves and connects students to the learning process.

New Programs and Policies

Beginning in 1985, the Nevada State Board of Education and the Department of Education initiated several reform measures to restructure, modernize and make relevant, to both business and students, new programs for occupational education. These initiatives will link all students to the needed technical education and training available in postsecondary, apprenticeship and private sector institutions. These reform measures were placed into Nevada Administrative Code, and are designed to prepare youth for work in the 21st century, and continued success in lifelong education, study, and training.

These measures include:

Academic Credit in Occupational Education

> Procedures for academic credit to be achieved in occupational education programs. Adopted, 1985

Dual Credit

> Support of legislative action that provided direction to local school boards to recognize for high school graduation, credit received at a community college or university. This allows a high school student to earn "dual credit," carnegie and postsecondary credit, for successfully completing a state and locally approved community college course when the material offered meets the secondary education criteria. Adopted by the Nevada Legislature, 1989

Technology Education & Home and Career Skills

New courses of study "Technology" and "Home and Career Skills" to be achieved by **all** middle school students, grades 7 &/or 8, effective July 1992. These programs replace traditional Home Economics and Industrial Arts.

Career and Occupational Education Guidance

New course of study to be achieved by **all** students, grades 7 through 12, for Career and Occupational Education Guidance and Counseling, effective July 1992. This program provides students with skills and competencies in their personal, social, educational, career and occupational development.

Criteria for Operating High School Occupational Education Programs

Criteria or "standards" are recognized in Nevada Administrative Code, requiring that school districts implement the following in the development, maintenance and improvement of occupational education instruction, effective July, 1992.

Curriculum must be linked with the needs of the related business or industrial sector:

Representatives of business, industry and labor will collaborate with education, in the determination of the duties, tasks, and performance levels to be taught and on which curriculum and instruction will be delivered. These must include the related and applied problem solving, decision making and creative thinking skills as well as:

Math skills
Science skills
Communication, and
Related technological applications.

Accountability to Students, Parents, Taxpayers and Employers:

Each student will be provided a certificate of completion, listing his or her performance rating on each of the duties and tasks listed by the business and industry representatives. This will provide the school and the business community with identification of expected student/employee performance, and opportunity for meaningful and specific feed back to the school.

Articulation and Program Linkage With Postsecondary Education:

High school programs are linked with similar programs offered in postsecondary education and training centers. All students are encouraged to continue technical training, understanding that education and training will, by necessity, become a life-long process.

With Carl Perkins funds and State Board of Education direction, federal funds also established two postsecondary initiatives:

Economic Development Centers

Each postsecondary institution established and maintained economic development centers. The program provides existing business and industry (mostly small business) with access to short term, quick start, developmental programs for the purpose of increasing productivity and diversifying the economy.

Single Parent Centers

Each postsecondary institution established and maintained a single parent center reaching all regions of the state and serving individuals with tuition, day car, transportation and instructional services.

Conclusion

With these funds and the emphasis to provide services to special needs populations such as the disadvantaged, handicapped and the incarcerated, the Carl Perkins Act has assisted Nevada to make significant progress in creating the structural and systemic changes needed in human resource development. While the full measure of these reform initiatives has not yet been felt, these programs and activities are designed to serve both large and small business and are designed to provide the opportunity for every student, youth and adult, with meaningful and productive participation in the economy.

I believe that I could not stand before you today and advise you about these initiatives if individuals from business, industry and labor had not worked patiently and tenaciously in developing and delivering these reform measures to those involved in making and determining education policy. Attached to these remarks is a copy of a statement of Nevada business and industry representatives listing their expectations of education to produce an educated and productive work force. It is entitled "The Nevada Business Plan for Education." Also attached, is a brief listing of the accomplishments made in Nevada through the Carl Perkins Vocational Education Act, 1984.

Education is a large institution, and change is not as easy to quickly accomplish as it ought to be.

Mark Twain said, **"More people will resist change the longer the transition lasts."**

Change is changing faster than change has changed before.
Change is now a way of life . . . no longer an exception to it.

Mark Twain also said, **"To do good is noble.**
To advise others to do good is noble
and it's easier."

Mr. Chairman, Mr. Bilbray and members of the Subcommittee on behalf of the Nevada Department of Education I want to thank you for this opportunity to discuss these important issues regarding the work force needs of business and industry.

THE CARL PERKINS ACT IN NEVADA 7/1/89

-- *ACCOMPLISHMENTS* --

1985 - 1989

The Carl Perkins Vocational Education Act has provided the funds necessary for the Nevada State Board of Education to significantly and systematically restructure and reform its occupational education program. These federal funds have been used to develop and implement model programs throughout the state. Limited "state" funds amounting to $108,000 are earmarked for locally determined needs. No other state funds are specifically earmarked by the state to support the needed reforms outlined in the federal legislation.

The primary purpose of Nevada's restructured occupational education program is "education" with emphasis on the development and application of math, science and communication skills. Broad transferable skills, such as decision making, problem solving and critical thinking skills, underlay this new system of instruction designed to prepare students for either postsecondary education or employment.

The priorities set by the State Board were based on the recommendations of business and industry as well as the education community, including postsecondary representatives. The success of the model programs which address the State Board's reform measures led to State Board of Education action mandating sweeping reform of both curriculum and instruction affecting all programs. These **program improvement** measures include:

INTRODUCTION TO TECHNOLOGY

Grades 7 &/or 8, replacing traditional Industrial Arts programs.

Math and Science: Applied to the systems, concepts and principles of technology. Includes Biotechnology, Physical Technology and Information and Communication Systems. *Carl Perkins funds initiated 16 model programs and are needed to support statewide implementation.* **The State Board adopted the program as a requirement for all students.**

HOME AND CAREER SKILLS

Grades 7 &/or 8, replacing traditional Home Economics programs.

Personal and Social Development: Decision making, leadership, management and problem solving skills applicable to the home, school, community and workplace. Includes, career planning, personal development, and self-esteem development. *Carl Perkins funds initiated 7 model programs and are needed to support statewide implementation.* **The State Board adopted the program as a requirement for all students.**

JOB-SPECIFIC OCCUPATIONAL EDUCATION

Grades 9 - 12

Educators will collaborate with representatives of the related business or industry on the identification of the academic, employability and technical skill performance standards. **Students will be "certified"** at the performance level. **Articulation agreements will be arranged** for each secondary and postsecondary program. **Cooperative agreements** for instructional improvement, cooperative instruction, and equipment will be formed between educators and representatives of business and industry. **The State Board adopted program standards which include accountability measures for all occupational education programs.** These measures preserve local autonomy, yet provide essential linkage with the expanding work force. *Carl Perkins funds provided for a variety of these initiatives that need continued support for statewide implementation.* Funding also established new programs in applied math, applied physics and applied communications.

CAREER AND OCCUPATIONAL GUIDANCE AND COUNSELING

Grades 7 - 12

Essential to educational and career success is Comprehensive Career and Occupational Guidance, delivered early and often in schools. Guidance is a shared responsibility of all educational personnel, especially teachers. Comprehensive guidance and counseling includes the key components of Personal and Social Development, Knowledge of Self and Others, Educational and Occupational Development, Career Development, Career Planning, and Career Exploration. *Carl Perkins funds initiated 7 model programs and are needed to support statewide implementation.* **The State Board adopted the program as a requirement for all students.**

CREATING ACCESS TO OCCUPATIONAL EDUCATION PROGRAMS

Improving Occupational Programs to Address the Needs of the Most At-Risk

The Economically Disadvantaged

74% of all Carl Perkins Title II & III funds were distributed to schools serving the economically disadvantaged. Title II Program Improvement funds, as noted, are utilized to improve curriculum and instruction, including guidance, in all schools throughout Nevada. **66%** of program improvement funds are granted to economically depressed schools and, as noted previously, have caused reform in the state's curriculum in all schools regardless of location. The singular focus of these funds has been the middle grades and the comprehensive high school. Nevada's priority has been to change and/or improve the programs accessed by handicapped, disadvantaged and limited-English speaking individuals. Having access to poor curriculum and poor instruction does not improve the condition of the handicapped or disadvantaged.

Single Parents

Each postsecondary institution is granted Carl Perkins funds to establish and maintain a single parent center reaching all regions of the state and serving individuals with tuition, day care, transportation and instructional services.

Equity

Two regional centers are established and maintained with Carl Perkins funds to serve educators and individuals through the state's educational delivery system which creates access to needed educational and occupational education services.

Economic Development Centers

Each postsecondary institution is granted Carl Perkins funds to establish and maintain economic development centers. The program provides existing business and industry (mostly small business) with access to short term, quick start, developmental programs for the purpose of increasing productivity and diversifying the economy.

Business and Industry Partnership

The State Board of Education requires the establishment of local "technical skills committees" for job-specific occupational education programs which serve secondary and postsecondary programs. Over 725 **individuals** currently collaborate with school officials to identify the duties, tasks, performance levels, and model curricula required to prepare students for employment or entry into advanced postsecondary programs.

Articulation 2 + 2

The State Board requires Carl Perkins participating school districts and postsecondary institutions to develop policies and procedures necessary to the linkage of programs. High school students are allowed to obtain dual secondary and postsecondary credit for the completion of occupational education course work. Curriculum in participating programs is required to be competency based. State legislation recently endorsed this Carl Perkins/State Board initiative.

Distribution of Funds

School Districts	51.9% (concentrated on comprehensive high schools)
Postsecondary Institutions	38.1% (community colleges)
Pre-service and In-service	10.0% (university system)
Economic Depressed Schools	74.2%
*Non-Economically Depressed Schools	25.8%

*Washoe County School District, Nevada's second largest district, does not meet the economically depressed criteria though it does serve the state's second largest economically disadvantaged population.

THE NEVADA BUSINESS PLAN FOR EDUCATION

PREPARING NEVADA'S YOUTH FOR SUCCESS IN THE 21ST CENTURY

ADVANCE COPY

JUNE, 1990

THE KNOWLEDGE & SKILLS GAP

Jobs are becoming more demanding, more complex. But our schools don't seem up to the task. They are producing students who lack the skills that business so desperately needs to compete in today's global economy. And in doing so, they are condemning students to a life devoid of meaningful employment.

Better corporate retraining may serve as a stopgap. But ultimately the burden of change rests with our schools. While debate rages about how change should come, almost everybody agrees that something has to be done.

And quickly.

The Wall Street Journal: "Reports on Education"
February 9, 1990

PROBLEM

Too many young Nevadans leave education and enter the work force lacking essential skills because they have been pushed through a general tract of courses that offer limited academic training and unsatisfactory linkage to the work world. This is true for all levels of education, high school, college and university. The result has been a statewide **skills gap**.

SOLUTION

Provide Nevada youth with the applied academic skills — educational, personal, social and career development necessary for success in the 21st century by supporting and implementing this Plan, through legislative action.

NEVADA BUSINESS AND EDUCATION AT THE CROSSROADS

Nevada business is deeply concerned about the educational system in effect in grades K-12. Nevada employers know that effective education directly impacts their success and productivity. Massive demographic changes . . . the highest percentage of population growth in the nation . . . the increased demand for a technologically skilled work force — all of these phenomena and more, require that Nevada business and industry take a positive role in helping to improve the educational opportunities of Nevada youth and adults.

What Stake Does Nevada Business and Industry Have In Education?

Nevada's work force is a product of the educational system. Never before has it been more important for Nevada business to have employees who have acquired broad academic skills and who can adapt to changes in the workplace.

What does the world marketplace demand?

- **Workers who are adaptive and technically proficient**
- **Workers who know how to learn**
- **Workers who set their own high standards**

In order to hire workers with these skills, Nevada business proposes a restructured educational program.

What will this new role for education produce?

- **Students who are taught broad, transferable skills**
- **Students who have acquired academic skills in "applied" classroom settings**
- **Students who possess marketable job skills**
- **Students who can adapt to technological changes in the workplace**
- **Students who can manage home and career demands**
- **Students with skills to develop positive self-esteem**
- **Students who will participate in life long learning**
- **Students who acquire productive work ethics**

What Is Nevada Business And Industry's Plan For Education?

Business and education must be active partners as they strive toward a healthy and competitive economic development for Nevada. Accountability to each other is the key. Responsiveness to each others' needs is critical. **A Nevada Business Plan for Education** has been developed by business and industry and is both accountable and responsive to students, workers, employees and citizens.

The Heart of the Plan

Curriculum and instruction in Nevada's schools should be designed to prepare all students for postsecondary education, additional training or apprenticeship, and successful employment. The three major goals of the **Nevada Business Plan for Education** include:

- **Integrating academic and applied learning**
- **Maximizing educational opportunities for all students**
- **Motivating students to understand the connection between skil school and skills required in the workplace**

The **Nevada Business Plan for Education** will help prepare Nevada youth for the future by providing them with:

- **Development of positive attitudes toward work**
- **Strong interpersonal and employability skills**
- **Entrepreneurship skills**
- **Work ethics**
- **Economics of work**
- **Citizenship**
- **Broad transferable skills:**
  - **Applied Academic skills**
    - **Math**
    - **Science**
    - **Communication**
  - **Decision making**
  - **Problem solving**
  - **Critical thinking**
  - **Computer literacy**
  - **Knowledge of technological systems**

What worker in Nevada -- doctor, lawyer, dentist -- plumber, carpenter, electrician, or mechanic -- secretary or health care worker -- does not need to be competent in the above skills? Whether handicapped or gifted, high school or college graduate, your child or your neighbor's child, every person in Nevada needs these skills in order to safeguard and further Nevada's future.

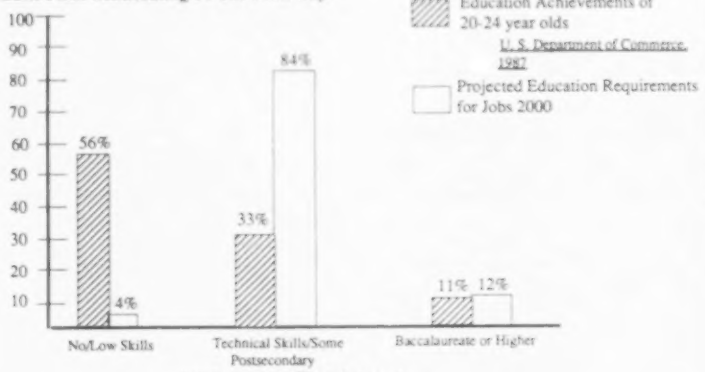
Why Develop a Plan Now?

A large part of the work toward improving education has already been accomplished. During 1989, the Nevada State Board of Education/Nevada State Board for Occupational Education adopted a Course of Study for Occupational Education that incorporates the elements of academic skills with occupational knowledge and competencies. *This Course of Study, which was developed with substantial business and industry input, is the foundation of the* **Nevada Business Plan for Education**. *Funds were not made available during the 1989 Nevada Legislature to implement these programs. Although the Nevada State Board of Education has adopted this Course of Study, it will become effective September 1, 1992, only if adequate funds are available to implement it.* Further action in the 1991 Nevada Legislature is imperative to implement the plan.

WHY BUSINESS AND EDUCATION SEEK CHANGE

Let's look at some facts to demonstrate the urgent need for a plan of action. **If Nevada is to attract, expand and retain new business and industry, the quality of the work force must improve. An improved Nevada work force demands a rigorous and sound occupational program in all of Nevada's schools.**

Basic Facts Contributing To The Skills Gap



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11% of 20-24 year olds have achieved a baccalaureate or higher degree.	12% of all jobs require a baccalaureate or higher degree.

The Educational Goals of Students Have Little Relevance to the Courses They Take in High School and Their Postsecondary Plans.

Although a majority of the nation's 8th graders have high education aspirations, few are planning to enter high-school programs that will lead them to realize their goals. In one study, two-thirds planned to finish college or attain high degrees, yet only one-third planned to enroll in a college preparatory program in high school.

Half of all sophomores in the study take general-education courses, yet they have career goals that require a college degree and a college preparatory program.

47% of the students had at least one of the predominate factors commonly used to assign children "at-risk" status.

National Education Longitudinal Study, 1988

WHY DO NEVADA'S STUDENTS NEED THE NEVADA BUSINESS PLAN?

The Young Adolescent, Ages 10-15, The Middle School Years.

By the young age of 15, substantial numbers of American children are already at risk. They may reach adulthood unprepared and unable to:

- Meet the requirements of the workplace
- Commit to successful relationships with family and friends, and
- Participate responsibly in a democratic society.

These young people, who were born as recently as 1975, are extremely vulnerable to multiple and high risk behaviors and school failure. It is alarming to watch these youth demonstrate their feelings of alienation from school and society as they increase their substance abuse, school absenteeism and dropping out. At a time in their development when the ability to learn is at a peak, the engagement of these at-risk youth in learning is diminishing. The equation is a sad, wasteful one.

- While the numbers of youth disengaged from the educational system grows, competition in the global economy requires a highly educated and trained work force.
- We face the specter of a divided society: one affluent and well educated, the other poor and illiterate.

The restructuring of occupational education emphasizes the middle grades, 7 and 8, where schools help young adolescents find constructive expression for their inherent curiosity and exploratory energy — where schools provide a basis for making informed - deliberate decisions — especially on matters that have impactful consequences, such as educational futures and drug usage.

Middle school occupational education, grades 7 and 8, must provide students with skills which give them the confidence and capability required for *lifelong* learning. Instruction and curriculum must be exploratory, with applied, hands-on learning focused on math, science and communication skills. Emphasis must be placed on decision making, problem solving, and creative thinking skills related to each of the core subjects and to home, family and personal issues.

The Value Of Occupational Education - Nevada's Work Source

Applied academics offers the primary means for producing a "world class" work force for Nevada. Jobs are not filled by statistics, they are filled by people — people with families — people with career goals — people with creative energy. Occupational education is a major component of Nevada's human resources development system.

When students learn in an applied environment they:

- Learn to structure their own learning and be motivated to learn real world skills
- Demonstrate the ability to work cooperatively with other employees on the job
- Demonstrate application of work values and employee traits such as initiative, dependability, honesty, loyalty, and sense of responsibility
- Exhibit self-esteem, confidence, and self-discipline through learning and applying specific job skills
- Learn leadership skills, work ethics, family values, civic responsibility, and economics of the free enterprise system through activities of occupational student organizations
- Earn 21% more money four years after graduation than graduates without occupational training
- Learn how to learn a skill
- Spend more time in the labor force
- Enter postsecondary education programs in the same numbers as students in general education
- Experience lower unemployment rates
- Are more goal oriented than students in general education.
- Learn appropriate interview skills
- Practice human relations skills
- Learn appropriate dress and grooming for the job
- Learn to comply with work rules

What it does in the middle school program, grades 7 & 8:

- Ensures success for all students
- Teaches a core academic program that is infused with exploratory and enrichment experiences
- Promotes cooperative planning and interdisciplinary teaching
- Creates small communities for learning
- Fosters cooperative as well as competitive activities
- Emphasizes student independence, responsibility, and self-discipline
- Improves academic performance
- Connects schools with communities, business and industry
- Provides students with educators who are knowledgeable and prepared to teach young adolescents

What it provides for at-risk youth:

- A positive relationship between staying in school and the amount of occupational courses taken
- Continued emphasis on academic skills in "applied" occupational education curriculum
- Career and occupational guidance and counseling programs for all students
- Broader student options for enrollment in job specific training courses by 10th grade
- A variety of classroom approaches, including independent study, small group and large group instruction, tutorials, mentoring, and cooperative learning with an emphasis on active learning

Basic facts about Nevada youth and adults:

Dropouts

- 4,780 of Nevada's students dropped out of school during 1989. This means that almost one out of ten (9.5%) students left school last term.

9th grade dropout rate 4.9%	=	627 students
10th grade dropout rate 8.5%	=	1,077 students
11th grade dropout rate 11.7%	=	1,459 students
12th grade dropout rate 13.1%	=	1,617 students
Total Students	=	**4,780 students**

- The cost to Nevada of these 4,780 dropouts, based on conservative estimates, is $124,000,000 (lifetime)
- Nearly 13% of all seventeen year old persons still enrolled in school are functionally illiterate and 44% are marginally literate.

Single Parents

- One-half of the adolescent girls who give birth before the age of 18 never complete high school.
- In 1985, Nevada ranked first in the nation for adolescent pregnancy at 144 live births per 1,000 teenagers.
- Women head 75% of single parent families with children under 18 in Nevada and half of these are living in poverty.
- One-half of displaced homemakers lack a high school diploma and two-thirds are unemployed.

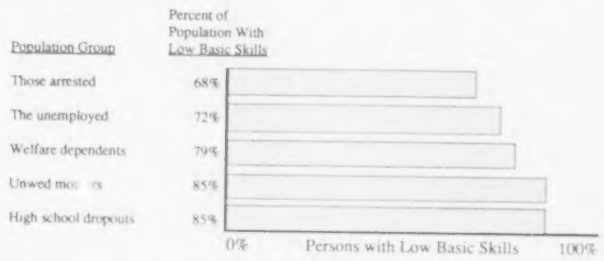
Disadvantaged Youth and Adults

There are over 140,000 economically disadvantaged persons in the state of Nevada. Of those, 20,730 persons are in school, ages 5-17, including an additional 13,630 with limited English proficiency.

America's Children

- 25% will be on welfare sometime in their life
- 25% are born to single parents
- 42% will live in a singe-parent family before they turn 18
- 25% of the class of 2000 are living in poverty
- 8 out of 10 teenage mothers never finish high school
- Every day in America, 40 teenage girls give birth to their third child.

Low Basic Skills Impact the Community



NEVADA BUSINESS AND THE NEVADA ECONOMY

Small Business and Economic Development

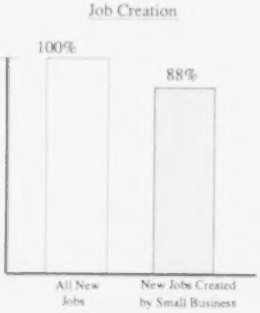
In the debate over how to generate economic diversification and growth and to strengthen the competitiveness of Nevada's new and expanding industries, one critical means of restoring productivity must be considered: improving the performance of the Nevada work force.

"Nevada's skilled labor pool is too small . . . the labor issue shows the importance of education as well as job training to our success in attracting the quality jobs we seek . . . Highest negative rating from those who located here were given to labor supply, 47%."

Reno Gazette Journal, July 14, 1988

Too many of our industries must recruit outside of the state while many of Nevada high school graduates leave the state seeking low skilled work.

- Most local employment growth occurs through the birth of "new" firms or the expansion of existing industry.
- 88% of all new jobs in America are created by companies with 20 employees or fewer.
- Many economists feel that the creation of additional small businesses is one of the most effective methods for creating new jobs.
- 75% of all small business closed within two to five years.
- 60% of small business closures in the first five years are due to a lack of management skill and poor worker productivity.



The Impact of Technology

Technology is impacting Nevada and is affecting the way we live and the quality of life we enjoy. Remote areas become less remote with the addition of microwave communication systems and satellite dishes. However, work in all of America, rural and urban, will depend on how productive and efficiently our nation competes in a global economy. In preparing this plan for education it is also realized that our son's and daughters, our young people, will be competing for jobs in a global market. This expansion into the "new age" reminds us that technology will not only be a part of our future, it is our future.

The skills gap and the preparation of the nation's work force is demonstrated in the following examples:

- Southwestern Bell had to process more than 15,000 employment applications to find 3,700 persons qualified to take the application test. Out of the 3,700 people who took the 85 question, entry level test last year, only 800 managed to answer 55 questions correctly and passed. Interviews, physicals, and drug tests knocked out an additional 220 applicants, leaving the company with only 580 new hires.
- The work of the bank teller used to be tedious — no longer. The bank teller is expected to sell a range of products, from credit cards to retirement accounts, and solve customer problems, making complex decisions and providing immediate and courteous responses.

- New hires show a real lack of basic communication skills, writing, reading, speaking and thinking. One recent survey of Fortune 500 companies found that 58% complained of having trouble finding employees with basic skills.

- One company estimated the cost of finding qualified persons at $1,000 for each person hired after tests, interviews and other requirements were met.

Business is simply more technological, more advanced than the educational system is preparing workers. The costs to the average employer are significant, and to the new employer, overwhelming.

The three economic ages are comprised of agricultural, industrial and the information/communication age. We are told that the information age began sometime in the early 1980's. However, one national speaker has suggested that due to the impact of technology we have already passed through the the information age and entered the fourth era, the "age of light."

THE NEVADA BUSINESS PLAN FOR EDUCATION

SINCE EVERYONE KNOWS THE PROBLEM, BUSINESS NEEDS TO ADOPT THAT FAMOUS NOAH PRINCIPLE: NO MORE PRIZES FOR PREDICTING RAIN. PRIZES ONLY FOR BUILDING ARKS."

- Louis V. Gerstner, American Express President

The **Nevada Business Plan** for Education encompasses new programs and requirements for Applied Academics. These were recommended by a State Task Force for Occupational Education to the Nevada State Board of Education in 1989. The Task Force included many representatives of business and industry. Their work represents a summation of the recommendations of several business and industry advisory groups dating back to 1984. The State Board adopted the recommendations, on May 19, 1989, into Nevada Administrative Code, to become effective in all schools for all students September 1, 1992.

However, these new programs and requirements will not become effective if adequate funding is not made available to the schools.

If funded, these programs address the "whole child" - academic, personal, and social. The young adolescent, especially the adolescent at-risk in grades 7 and 8 will benefit from highly creative and effective curriculum and instruction in two programs which help "make the middle grades work." All students will be exposed to a comprehensive career and occupational education guidance program, grades 7-12. The high school occupational education student will be enrolled in programs validated by local representatives of related business and industries. Student graduates will be "certified" at the competency level in related math, science, and communications skills.

The following four programs and requirements address the needs identified in this Nevada Business Plan for Education and incorporate the recommendations that will enable the school to satisfy the essential learning needs of both the student and the workplace:

1. Introduction To Technology, Grades 7 and/or 8

2. Home and Career Skills, Grades 7 and/or 8

3. Comprehensive Career & Occupational Guidance and Counseling, Grades 7-12

4. High School Applied Academics, Grades 9-12

1. INTRODUCTION TO TECHNOLOGY, GRADES 7 and/or 8

STUDENTS LEARN TO WORK IN
TEAMS AND EXPERIENCE PERSONAL RESPONSIBILITY.

This program for the young adolescent focuses on math, science, and communication skills applied to the systems, concepts, and principles of technology. It includes:

- **Biotechnology:**
  Agriculture, medicine, food processing and preservation.
- **Information Communication Technology:**
  Information processing, photography, graphic and electronic communications.
- **Physical Technology:**
  Construction, energy, manufacturing, transportation.

This program replaces traditional Industrial Arts programs

2. HOME AND CAREER SKILLS GRADES, 7 AND/OR 8

STUDENTS LEARN PERSONAL, CAREER AND SOCIAL DEVELOPMENT APPLIED TO THE HOME, SCHOOL, COMMUNITY AND WORK PLACE.

This program for the young adolescent focuses on decision making, leadership, management and problem solving skills. It includes:

- **Career Planning:**
  Students make decisions and solve problems related to tentative career directions.
- **Personal Development:**
  Students apply decision making skills to learn about themselves and their relationships with others.
- **Personal and Family:**
  Students apply decision making and management skills to manage resources — how they dress, how and what they buy, what they eat and where they live.

This program replaces traditional Home Economics programs

3. COMPREHENSIVE CAREER AND OCCUPATIONAL GUIDANCE AND COUNSELING, GRADES 7-12.

STUDENTS	(1) LEARN TO LIVE (PERSONAL/SOCIAL DEVELOPMENT) (2) LEARN TO LEARN (EDUCATIONAL DEVELOPMENT) (3) LEARN TO MAKE A LIVING (CAREER DEVELOPMENT)

This program focuses on all students and is an integral part of the whole school curriculum. It is managed by school counselors, but delivered by teachers, parents, students, counselors, and business and industry. This program supports and provides direction for all other programs in the school. It includes:

- **Guidance Curriculum:**
  - Personal and Social Development (Knowledge of Self and Others)
  - Educational and Occupational Development
  - Career Development (Career Planning and Exploration)
- **Individual Planning:**
  - Individual Appraisal
  - Individual Advisement
  - Placement
- **Responsive Services:**
  - Consultation
  - Personal Counseling
  - Crisis Counseling
  - Referral
- **System Support:**
  - Professional Development
  - Staff and Community Relations
  - Consultation with Teachers
  - Advisory Councils
  - Community Outreach:
    - Parents, Business, Industry

This developmental program is for all students and replaces the traditional counseling/academic advisement model which only served college-bound or at-risk youth.

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4. HIGH SCHOOL APPLIED ACADEMICS, GRADES 9-12

STUDENTS LEARN THE CRITICAL CONNECTION BETWEEN SCHOOL AND WORK. THEY LEARN TO MEASURE WHAT THEY "GET" FOR THEIR TIME SPENT IN EDUCATION.

This program focuses on the delivery of rigorous applied academic instruction and broad transferable skills. It requires the linkage to technical training delivered through the community colleges, apprenticeship, technical training schools or on the job. It also requires a partnership between education programs and representatives of business and industry at the program level. It includes:

- **Effective Curriculum Linked With Business & Industry:**
  - Determined in collaboration with representatives of the related business or industry and educators
  - Business, industry, and educators validate the duties, tasks and performance levels to be taught
  - Academic, job-getting skills and broad transferable skills learned in application are made relevant to changing work requirements.
- **Innovative Instruction Linked With Business & Industry:**
  - Guest speakers with relevant and innovative information
  - Cooperative work experience stations (labs) for students
  - Opportunity for teachers to update technical and instructional skills
- **Increased Accountability To Students, Parents, Taxpayers and Employers:**
  - Certificates of achievement to include academic, employability and technical skill performance of each student and visibility of the product, the student, and his or her individual performance
  - Feedback from graduates and employers used to improve programs
- **Articulation and Program Linkage With Postsecondary Education:**
  - Competency based programs articulate with similar programs at the community college
  - Students are encouraged to continue technical training or enter apprenticeships
  - High school programs become less job-specific, emphasizing broad transferable skills

CONCLUSION

The Nevada Business Plan for Education is designed and intended as the initial statement by Nevada business and industry regarding Nevada public education. This Plan is not all inclusive of the comprehensive needs of Nevada's educational system or personnel, but specifically identifies certain occupational education programs included in schools, grades 7-12. This Plan also provides a recommendation and call for legislative support for education that will assist all students to prepare for a meaningful and successful work and home life.

Nevada business and industry recognizes that the process of change and improvement must begin somewhere and at some point in time. With this in mind, the Plan should be viewed as an important initial component in the preparation of all Nevada's school age youth for the 21st century.

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Testimony By

Thomas N. Weir

Before The

Small Business Subcommittee

On Export, Tax Policy and Special Problems

Concerning

Education Problems in the Labor Force

10:00 a.m.

June 8, 1990

At

UNLV Campus

Si Redd Room, Thomas & Mac Center

Las Vegas, Nevada

Mr. Chairman, Congressman Bilbray and other honored members of the Committee, my name is Thomas N. Weir. I'm Chairman of the Southern Nevada Private Industry Council. I serve on the Board of Directors of the National Association of Private Industry Councils, Chairman of the Southern Nevada Job Service Employers Council, Past President of the North Las Vegas Chamber of Commerce, Past Chairman of the Occupational Education Council for the Clark County School District and I serve as a member of the State Job Training Council. I own my own consulting firm, Thomas N. Weir & Associates, Inc., here in Las Vegas providing services to Executive Suites of America, Inc. dba The Home Office and other small businesses.

Thank you for allowing me to address your committee regarding education problems in the labor force.

It has been stated many times 80% of the businesses employ less than 20 people. Yet, most educational and training programs are designed to train individuals for jobs with large institutions. Our country has gone through many evolutions such as the agricultural age, industrial age, and now the information age. Training and technical education have become increasingly necessary for not only large businesses, but for the Mom and Pop operations.

The Private Industry Council, together with elected officials have set forth goals and objectives that have implemented programs essential for successful operation in Southern Nevada. Rather than provide participants of the program with training that may or may not be valuable to prospective employers, Nevada Business Services maintains constant communication with the employer community.

Nevada Business Services helps local businesses solve their employment related

problems by using four (4) creative processes. These are personnel services, education and training, financial incentives and providing a varied workforce.

For new businesses training is almost always necessary, and the new employee's low productivity for the first several weeks is costly, but unavoidable. Therefore, we offer to business On-The-Job training (OJT). This is a cost-effective way for companies to hire and train new employees. In addition to the above, an employer may wish to utilize Individualized Customized training and/or Quick Start Job Training. We also provide testing and assessment for all of our participants, a 55+ program for older workers who find it necessary to relocate or change jobs, work experience programs, summer youth programs and a year round youth program named NEBCORP, which is designed to provide participants with a GED or high school diploma while working at a good job earning $4.50 an hour. Each young adult attends 10 hours of schooling each week in a classroom environment.

Nevada Business Services has also teamed up with Nevada Employment Security to work with long term unemployed, designed to provide new career opportunities to the individual.

According to recent research information, the State of Nevada saves over $800.00 in unemployment benefits on each person participating in this program.

We also work with Welfare and their JOBS program because of our relationship with business.

Every small business, that's successful, must offer basic skills training to compete for today's worker.

The Job Training Partnership Act was created to assist in deferring the cost of

training the harder to serve. But, yet due to limited funding, contracts must be "shorter", or a company is criticized for "taking advantage of the system" or the program is accused of being "a welfare system to business". It is extremely costly to a small business to just handle the paperwork for an OJT contract.

I have told you of our programs, and who we impact. Our total budget in 1989 was $5.8 million, 1990 allocation will be $5.2 million, an 11% reduction. In 1989, we had, in the total service delivery area which includes Lincoln, Nye, Esmeralda and Clark County, 75,060 eligible families. We were able to serve 4,268 or 5.7%, and our needs continue to grow. Although we have a limited budget, we attempt to work with all education including the Governor's 8% educational set aside as well as the Carl Perkins Act.

My understanding is the Carl Perkins Act was passed for the improvement of occupational education. In the Act, Congress included the requirement for input of the private sector with the creation of Occupational Councils and Task Committees, however, they left out the role the Councils were to have, plus they gave the Councils no authority. I have and do personally serve on these Councils. I speak from experience. Even though we currently have over 300 partnerships, extensive involvement in the educational process is limited. A lot of partnerships with business are commonly known as "fluff". They are nice, but they don't truly impact the educational process. When we see statistics such as 4,780 Nevada high school students, 9.5% of the total high school enrollment dropped out of school. Such as General Motors Corporation believes they pay for education three times. First in the form of taxes, second in the form of lost productivity and third, they operate the largest private

owned educational system in the country. Such as Motorola spends $40 million a year on education and 60% of that $40 million is spent on remedial education in the field of math and language skills, as business people, we question what's happening in our schools. Additional statistics state that lost productivity costs this country in remedial education $25 billion a year. Over 700,000 students will leave before they receive a high school diploma. That costs us $250 billion in wages and unpaid taxes. 40% of our 17 year olds have inept reading skills, 20% of 17 year olds have the ability to write a persuasive letter. Math skills have improved a little bit. 51% of our 17 year olds can handle moderately complex math problems. However, only 6% can handle a problem that requires the use of algebra or a multi-level problem solving system. And if you really get into geography, 1/3 of our 17 year olds in the United States cannot locate France on a world map.

Albert Shanker, President of the American Federation of Teachers, states a radical restructure in schools, just as we're having in business, is the only way that we will be able to survive in the world economy, otherwise, we're simply not going to make it. So often, administrators and elected officials give the impression that business is attempting to usurp their position.

Because of our communication systems, television, radio, and computers, our new generations are much more informed and experienced than we were. This generation and generations to come move at a pace that we must be able to react to or we will lose them. We must be able to streamline our system affording us the opportunity to change rapidly.

I am reminded as a member of the National Association of Private Industry

Councils Board just how small the Job Training Partnership Act really is and how large our responsibilities are. We can only serve 5% of our eligible population nationally, and if the current trend continues, we can simply return our money to the government, because all we will be doing is scratching a scab on a sore of the nation.

With the latest reduction in our own S.D.A. based on outdated statistics, this is already occurring. Yet, as a "small populated" state, our dilemma continues, even though we have unprecedented growth, our welfare rolls grow, our street people increase and our job training, employment security and educational dollars shrink. With a national budget for education in excess of $190 billion and local budget in excess of $400 million plus the Job Training Partnership Act's $4 billion, with $5.2 million spent locally, and some local elected officials, administrators and teachers working with the business community, we are still losing the war.

I don't know the political ramifications, I'm not a big corporate executive or hold an MBA from Harvard, but I do know that if people, not programs or big time corporations, are given a chance with training, assistance, and education, they can be successful and self sustaining.

We must have a new sense of cooperation between business, government, teachers and administrators of our schools to save our generation and generations to come.

Ernest L. Boyer, President of the Carnegie Foundation for the Advancement of Teaching states "If a health epidemic were striking one-fourth of the children in this country,...a national emergency would be declared. But when hundreds of thousands of students leave school every year shockingly unprepared, the nation remains far too

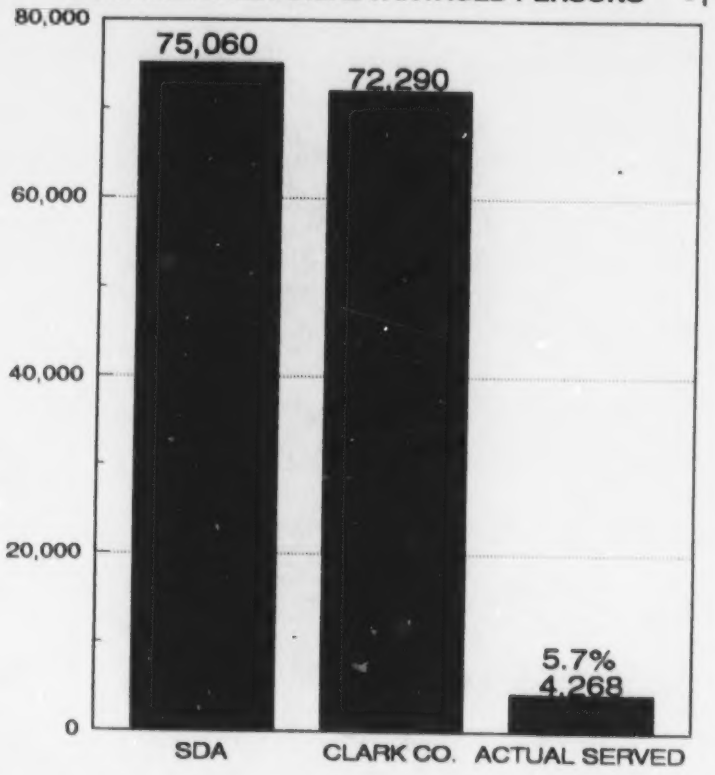
lethargic. We need a larger vision, an urgent call to action. Let's commit ourselves to rebuild the nation's schools just as the Marshall Plan helped rebuild a devastated world."

Thank you for allowing my testimony today. I would be pleased to answer your questions.

ANALYSIS OF NEED

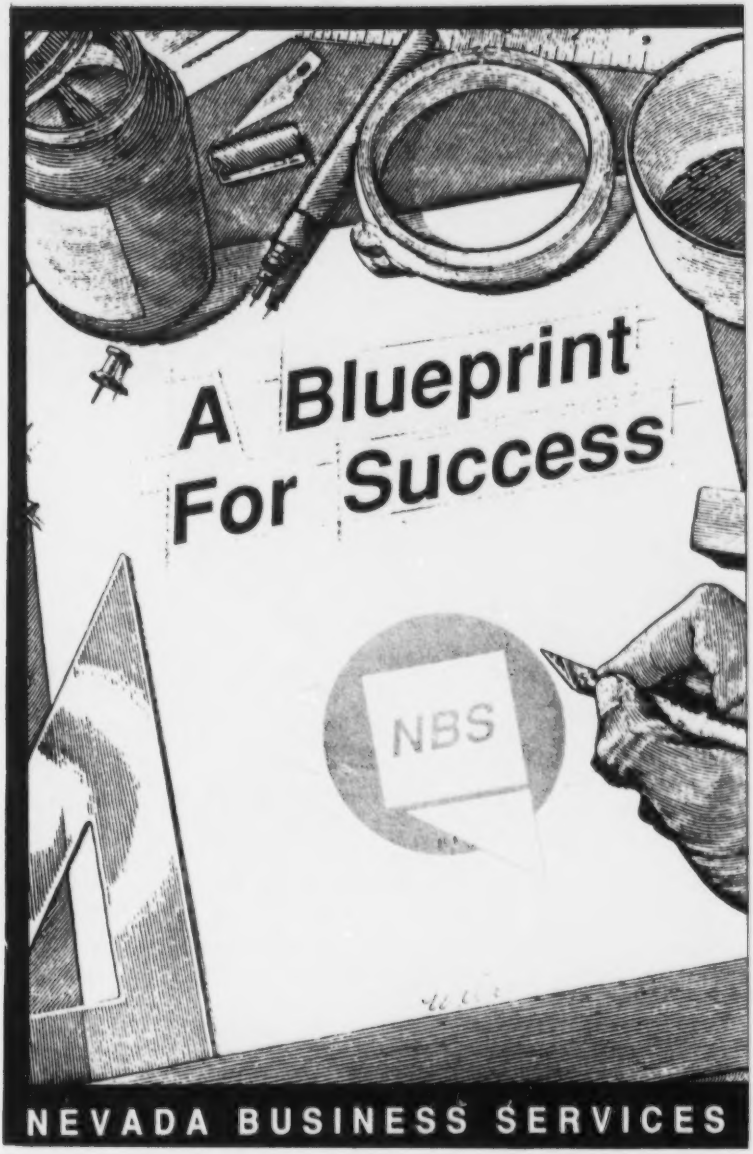
Source: Nevada Employment Security Dept (Jan 89)

ECONOMICALLY DISADVANTAGED PERSONS -1



SDA = Clark, Nye, Lincoln, & Esmeralda Co.

-1 For a family of 1, income can not exceed $5,770 a year. (OMB Req'd)


A Blueprint
For Success
NBS
NEVADA BUSINESS SERVICES

GENERAL SERVICES

The mission of Nevada Business Services' is to provide career employment for JTPA* qualified persons through services to potential employers and employees thereby enhancing economic stability. NBS helps local businesses solve their employment related problems through personnel services, education and training, financial incentives and a varied workforce.

The Private Industry Council of Nevada Business Services, together with elected officials, have set forth goals and objectives that have implemented programs essential for successful operations in Southern Nevada.

Two of these goals are to continue to serve the needs of employers and to provide the same level of services to both large and small employers.

Rather than provide participants of the program with training that may or may not be valuable to prospective employers, Nevada Business Services maintains constant communication with the employer community. Working with both established businesses and those new to the area, Nevada Business Services then develops employee training programs designed to meet the exact needs of employers. Nevada Business Services also works closely with private industry to develop strategies to meet the long-term employment needs of the future.

Nevada Business Services provides a full range of personnel services to employers; including recruitment, advertising, background screening, aptitude testing and special interest testing.

Through superior communication with the business community, Nevada Business Services has demonstrated its ability to cooperate with and meet the needs of private industry.

*Job Training Partnership Act

ECONOMIC DEVELOPMENT

An employer's decision to relocate or expand to the Greater Las Vegas Area puts them in a select group of wise business executives.

Whether the decision to relocate was based on the fact that Nevada has been the nation's fastest-growing state for most of the past twenty-five (25) years, is located in the center of the Western Market place, has no corporate income taxes or is a freeport state, an available workforce is the key to a business's producing at the employer's expected level of productivity.

While all new and prospective businesses appreciate Nevada's many advantages, company executives are concerned about an untrained labor pool and general lack of coordination among state agencies formed to attract employers.

Nevada Business Services maintains a varied workforce that includes records of the applicants previous experience, training, reliability and ability to get along with other employees.

Nevada Business Services helps local businesses solve their employment related problems by using four (4) creative processes. These are personnel services, education and training, financial incentives and providing a varied workforce.

For new businesses training is almost always necessary, and the new employee's low productivity for the first several weeks is costly, but unavoidable. Therefore, Nevada Business Services offers to business On-The-Job training (OJT). This is a cost-effective way for companies to hire and train new employees. Customized training is also available. In addition to the above, an employer may wish to utilize Individualized Customized training and/or Quick Start Job Training.

TESTING & ASSESSMENT

Nevada Business Services takes pride in its meticulous testing and counseling services. Due to outstanding testing techniques, job turnover is low, repeat participants in programs are few and employer and employee satisfaction is high.

Several tests are administered by the Nevada Business Services' trained staff. These are the Career Ability Placement Survey, which scores an applicant's abilities in eight different categories, the Career Occupational Preference System test which assesses interests, and the Career Orientation Placement and Evaluation Survey which determines work values.

Counselors use the test scores combined with personal interviews, prior work experience and the applicant's personal desires to create a training program designed to best suit the individual needs and skills of each applicant.

Nevada Business Services provides jobs, but more than that instills confidence, inspires achievement and paves the way for individuals to gain a higher quality of life.

It takes a heavy investment in time, money and effort to train skilled workers. Today, a growing number of Southern Nevada employers are turning to Nevada Business Services to lighten the load. NBS On-The-Job Training Program features such quality elements as pre-employment training skills, aptitude interest evaluation and extensive follow-up during and after training to make certain the program attains the highest level of success for business clients and employees.

NBS Employer Services include:

- Full range advertising support for employers to recruit new hires
- On-site assistance during the hiring process
- Expert consultation on the new federally imposed hiring requirements associated with the "I-9" forms
- Tax credits (TJTC)
- Substantial financial incentives to the employer
- Interest assessment
- Aptitude testing
- Support counseling during training
- Follow-up counseling during training

Employers who have used NBS On-The-Job Training have found that they have been able to greatly reduce employee turnover and substantially increase profits. Whether you're looking for one employee or an entire crew, check with the professionals at Nevada Business Services. We have specially trained employees to suit your needs.

GENERAL EMPLOYER SERVICES

Nevada Business Services offers a program to help the older adult find employment. The primary aim is not just to find a job for the older worker but to show the employer that many of the stereotypes associated with the older worker are simply unfounded, and to demonstrate the intense value of hiring them.

The Nevada Business Services 55+ Program offers eligible seniors varied services including:

- Pre-employment counseling
- Evaluations to determine strengths and weaknesses for employment
- Skills training
- Optional On-the-Job-Training

As more and more retirees make their homes in Southern Nevada their availability in the workforce will be an increasing element of the employment picture.

Nevada Business Services Job Search Program involves the participants at all levels. The program was designed so that participants are given the opportunity to explore their interests, aptitudes, and career potential prior to being guided through job search activities.

Offered in both English and Spanish, NBS Job Search Programs last one to five weeks and lead to extended job training or directly into job placement.

Some of the customized elements related to this service include:

- Individualized curriculum
- Aptitude testing
- Interest evaluation
- Programs for the handicapped
- Programs for the disadvantaged
- Programs for the welfare recipient
- Employment for the older worker
- Employment opportunities for youth

JOB SEARCH

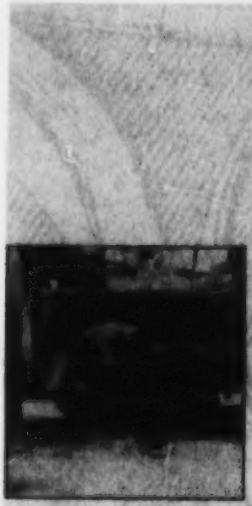
WORK EXPERIENCE PROGRAM

There's a "catch-22" for unemployed individuals, they find it hard to get a job because they don't have experience and they can't get experience without a job. Nevada Business Services has found a way to help solve this dilemma through our Work Experience Program.

The Work Experience Program helps participants develop good work habits along with basic work skills and also enhances their ability to find full time employment. Participants work up to six months with a public employer or private non-profit agency on specific projects. Work Experience Programs are most often conducted in rural areas where fewer job opportunities exist.

Work sites are established by a Customer Service Representative at units of local governments or non-profit agencies under a work site agreement which covers the length of the assignment and the type of occupational training that participants will receive.

Through the Work Experience Program, organizations receive the workers they need and participants learn new job related skills.



SUMMER YOUTH!

Our contract with the State of Nevada Job Training Office allows us to provide extensive job training services during the summer to some 800-1,000 Southern Nevada youth.

By underwriting costs associated with these public jobs, participating youth gain firsthand knowledge of the requirements necessary to get and retain employment in our competitive modern society.

For the past eight (8) years Nevada Business Services has exceeded its goals in placing youth in summer jobs. In fact, the demand from employees has been so great that Nevada Business Services marketing staff has employed mass media techniques to recruit additional youth ages 14-21.

Types of jobs underwritten through this effort include clerical/office assistant, recreational children's supervisor, fire fighter, computer operations, public works, city/county government, library assistant, teacher's aide, and many more.

The NBS Summer Youth Employment Program features:

- Supervised work experience
- Structured classroom remedial education
- Computer supported activities
- Independent testing and evaluation
- In-depth analysis of program results
- An awards ceremony at the end of the program

The NBS Summer Youth Employment Program works! The results have been outstanding!

NBS "YOUTH CORP"

In a continuing effort to help economically disadvantage young adults, Nevada Business Services has implemented a unique and innovative program designed to serve high school drop-outs ages 17 to 21 looking for a second chance. The program is called Nevada Business Services Youth Corps. (NEBCORP) and is designed to provide participants with a GED or high school diploma while working at a good job earning $4.15 an hour.

Each young adult attends 10 hours of schooling each week in a classroom environment. While in school, each also works at a worthwhile job for 30 hours a week.

That's not all. Each young adult in the program also receives hands on computer training utilizing state-of-the-art equipment and facilities. This provides a solid background in this important field that can be used to open career opportunities or simply provide a good working knowledge of computers.

Rounding out the Youth Corps program is a physical education element. Participants work at city and county parks and recreation facilities providing maintenance and improvements to the facilities, while learning and developing physical skills.

CLAIMANT EMPLOYEE PROGRAM/JOBS

As Southern Nevada continues to grow at a record pace, so do the ranks of those individuals on unemployment. Nevada Business Services has teamed up with the Nevada Employment Security Department to offer a unique program to qualified unemployment insurance recipients called the Claimant Employment Program, designed to provide new career opportunities to these individuals.

After a formal screening and aptitude assessment program by Nevada Employment Security, Nevada Business Services provides workers with on-the-job classroom training and are enrolled in a special job development program and matched with appropriate employers. Workers that are limited in ability to just one occupation may be retrained in fields that offer more opportunities for worthwhile employment.

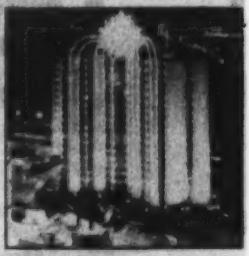
According to recent research information, the State of Nevada saves over $800 in unemployment benefits on each person participating in this program.

■

In a combined effort with the Nevada State Welfare Department, Nevada Business Services has implemented Job Opportunties & Basic Skills (JOBS), an On-The-Job Training program for current recipients of public assistance. The program serves 50 participants, referred directly by the Welfare Department, after an individual is deemed qualified to enter. A NBS staff member works directly with the participants to assess interests and determine the best course to begin a new career. They are then placed into On-The-Job Training with Southern Nevada Employers.

IMPACT AREA SERVICES

Through a grant provided by the Economic Development Administration, Nevada Business Services provides special assistance to residents of what has been determined to be a "special impact area" (SIA). The SIA is defined as an area in Las Vegas where the unemployment rate is over 50 percent. The area, with a population of approximately 50,000 is made up of residents who are long-term unemployed and receive welfare and other forms of public assistance.

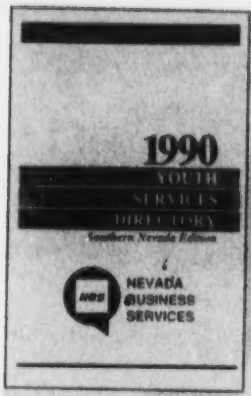


Nevada Business Services assist the residents of the SIA in every way so that all possible barriers from obtaining employment are removed. This assistance is in the form of transportation, child care, and in some cases, health care.

A special SIA staff person develops and maintains communication and understanding with various local entities to develop employment opportunities and reaffirm the commitment of various local government agencies and organizations. This allows NBS to refer applicants to job sites as they become available. NBS watches for any economic development that could positively affect the SIA. Nevada Business Services is always available to employers for training support, and to residents of the SIA.

NBS has been very successful in obtaining employment for the long-term unemployed living in the SIA. For example, about 50 percent of the employment in the Gibson Business Park, funded by the Economic Development Administration, has come from individuals living in the SIA.

Nevada Business Services continues to monitor the needs and economic trends of the area to provide employers with a pool of reliably trained employees. There's never been a better opportunity for hiring fulltime employees backed by service and training.



YOUTH SERVICES DIRECTORY

Southern Nevada is dedicated to providing the best resources possible for its youth. The "Youth Services Directory" reflects the commitment of Nevada Business Services and the State of Nevada Department of Human Resources, Welfare Division, to the youth of Southern Nevada. The book profiles the many local programs that are available to address the needs and problems of our youth community.

The Youth Services Directory is used by:

Civic Groups
Youth Organizations
Church and School Programs
Corporate/Community Projects
Teachers/Counselors
Parents and Friends

The directory is divided into nine main sections:

1. **Crisis Intervention:**
   Food, Clothing, Shelter, Utilities, Counseling
2. **Day Care:**
   Child, Adolescent
3. **Education:**
   Diploma, GED, ESL, Literacy, Vocational, Financial Aid, Post Secondary, Basic Survival Skills
4. **Employment:**
   Permanent, Temporary, Military, Training, Volunteer
5. **Services For Persons With Disabilities:**
   Health, Education, Employment, Recreation
6. **Health:**
   Counseling, Equipment, Family Planning, Medical, Substance Abuse, Education
7. **Legal:**
   Civil Law
8. **Recreation:**
   Sports, Education
9. **Other:**
   Program Advocacy, Interpreter Services, Volunteer, Special Services

An index allowing easy access to the services available is provided in both English and Spanish.

The directories are available at a cost of $10 each.

SPEAKER'S BUREAU

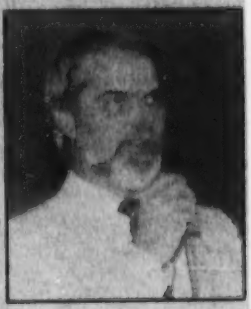
What is Nevada Business Services?
What purpose does it serve?
How can my company benefit?
What does it cost?
How can Nevada Business Services help me?

These are several of the many questions asked by many employers and interested individuals. Therefore, members of the Nevada Business Services staff have the responsibility to inform local area employers and residents of its existence and services. The greater the number of employers who are aware of Nevada Business Services' services, the greater the possibility for success.

How does Nevada Business Services accomplish the distribution of information to the public? This is accomplished by contacts with the employer community, business by business, or by participating in addressing mass audiences, usually at meetings or seminars.

The Speaker's Bureau has proven to be the most effective/efficient vehicle for information distribution. Organizations frequently request one of the experienced professionals who knows the labor market, knows the availability of services and knows Nevada Business Services programs and projects to address the audience.

Call Nevada Business Services to reserve a speaker and you will at that time be given more details about how we help local businesses solve their employment related problems.



Nevada Business Services

Administrative Office
922 W. Owens
Las Vegas, Nevada 89106
(702) 647-7600

Claimant Employment Program
Economic Dislocation & Worker Adjustment Program
235 North Eastern Ave.
Las Vegas, Nevada 89101
(702) 366-1126

Henderson Office
117 Water Street
Henderson, Nevada 89015
(702) 565-0065

Nye-Esmeralda Counties
P.O. Box 3288
Tonapah, Nevada 89049
(702) 482-6038

Lincoln County
P.O. Box 26
Caliente, Nevada 89008
(702) 726-3154

National Headquarters:
538 East Sahara Las Vegas, Nevada 89104
Tel: (702) 737-7755 Fax: (702) 737-8302

June 17, 1990

The Honorable Norman Sisisky
Chairman
House Small Business
Subcommittee on Exports,
Tax Policy, and Special Problems
House of Representatives
Washington, DC 20515

Dear Mr. Sisisky:

In lieu of personally testifying before the committee, I wish to present this letter describing the need for changes that are necessary to improve the skills of America's work force.

I have for the past twelve years been conducting a study of this nation's work force, examining it from the Roosevelt Era to the present. We studied education, unions, and federally funded work programs such as CETA and JTPA. JTPA was a carry-over from CETA, and we concluded that JTPA is as much a failure as was CETA. The only good result of JTPA was the Reagan administrations cutting of the JTPA budget from $20,000,000 to $6,000,000 annually for Southern Nevada, thus saving the taxpayers a considerable sum.

I have listened to committees for the past twelve years, and the same tired answers have kept coming to the surface. The testimony has always been the same and the record shows this to be true. The solutions that have been offered have remained the same year after year, and we have seen failure after failure.

I offer the following facts to this committee:

1. The unions of America have done more to destroy our work force than has any war we have ever fought. The record proves this to be true.

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Joseph Mavigila

VICE PRESIDENT
Raymond Gomez

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Joe Curtis
Curtis Constr

Steve Custer
Metro Police

Paul Fisher
Fisher Pen Co

Lt. Joe Greenwood
Metro Police

Harry Howard
Metro Police

Jimmy Johnson
Publisher

Robert W. Miller
CPA

Frank Pace
Contractor

Dick Roxborough
Western Trading

Murry Westgate

2. Our educational system has failed our young people, millions of whom cannot even complete a job application. Twenty seven million Americans are functionally illiterate.

3. American manufacturers violated the trust of the American people when they sent orders for goods overseas and even built factories overseas.

4. There is only one solution to save America: Mass production and full employment that will allow us to compete with the rest of the world.

We have delayed to the point of no return. Self destruction is imminent by the year 2025 because of population growth. We can slow the process with a few changes in the present system. Henry Ford provided the answer, and that answer is the assembly line. The teaching process must be changed to fit the student. Before there was formal education, the hands and eyes were the tools of survival. The Hand and Eye process must be established within our work system if we are to not only become competitive again but save our society.

Our program has instituted this system in Southern Nevada and it is working. I invite this committee to come and see for yourselves how we have started a program where the old help the young to obtain and hold decent jobs with advancement potential that will lead to decent incomes so participants will be able to pay their bills and feed their families. When this happens, the crime, drugs and filling of our prisons declines dramatically.

Thank you for your courtesy and consideration.

Respectfully,

Joseph O. Maviglia

Joseph O. Maviglia
President

NEVADA ADULT EDUCATION ASSOCIATION
c/o
UNLV Division of Continuing Education
4505 Maryland Parkway
Las Vegas, Nevada 89154-1019

U.S. House of Representatives
Small Business Subcommittee on
Exports, Tax Policy & Special Problems

June 8, 1990

Honorable Ladies & Gentlemen:

On the occasion of your June 8, 1990 hearing in Las Vegas, Nevada the Nevada Adult Education Association will have representatives in attendance and requests that the following information be included in the Congressional Record of your proceedings:

It is clear that as we move closer to the 21st Century, Nevada is and will be increasingly split by the presence of those who have and have not, and those who know and know not. It is also apparent that sex, ethnicity, social class and wealth are the crucial determinants of success in this most rapidly growing state.

The Nevada Adult Education Association, a voluntary association of individuals committed to recognizing, articulating, and meeting the educational needs of the adult citizens and residents of Nevada, believes that regardless of:

your age, sex, or handicap;
your functional skill levels;
where you live;
your work or family situation;
your economic or social status;

all Nevadans must be guaranteed meaningful access to:

1. literacy education
2. developmental education
3. skill building for productive employment
4. becoming self-sufficient
5. full participation in family and community life
6. significant learning over the life span
7. development of maximum knowledge, skills and abilities

Based on that philosophy, the Nevada Adult Education Association stands ready to assist government and business at the local, state and national level to address the problems created by the lack of a skilled work force identified to the Small Business Subcommittee in today's hearing.

Additionally the Nevada Adult Education Committee would like it known that during that 1991 Nevada Legislative session we will be bringing the following issues to the attention of our legislators and seeking funding support for the same:

1. Literacy Education
2. Bachelors Degree Opportunity Outreach for Rural Nevadans
3. Work Force Upskilling for Unemployed, Underemployed or Underproductive citizens
4. Minority and Underclass Empowerment
5. Lifelong Learning Opportunity
6. Business & Education Partnerships and Action Networks

The Nevada Adult Education Association held its first state meeting on May 10-11, 1990, in Las Vegas, where the aforementioned platform was voted on and approved by the general membership. Currently an association subcommittee is addressing specifics within the platform such as implementing measures to meet these needs and proposals for fund appropriations.

We submit this written statement to inform you of our existence and intentions and to offer our support to business and government to address the problems created by the lack of a skilled work force.

Mike Metty, President
Nevada Adult Education Association

For the president

Richard N. Benoit, Vice President